



Daily Report

Latin America

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9 June 1988**

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Cuba

USSR To Send Emergency Aid to Flood Victims

FL0806154088 Havana Radio Reloj Network
in Spanish 1423 GMT 8 Jun 88

[Text] The Executive Committee of the USSR Red Cross and Red Crescent Associations and the Board of Directors of the Soviet Fund for Peace have agreed to provide emergency aid to flood victims in our country.

As reported in Moscow, the contribution consists of medicines, blankets, tents, and basic necessities, which will be shipped immediately in Aeroflot planes. The Soviet aid is intended for victims of floods caused by heavy rains registered in the last few days in the central provinces of Cuba.

Once more, our country has received the timely aid of the brother Soviet people. This time, it will help alleviate the situation caused by flooding in several regions of the national territory.

Lionel Soto Meets With CPSU's Medvedev

FL0806145588 Havana Radio Reloj Network
in Spanish 1402 GMT 8 Jun 88

[Text] Vadim Medvedev, secretary of the CPSU Central Committee, has received Lionel Soto, secretary of the PCC Central Committee, who is visiting the Soviet Union at the invitation of the CPSU.

Medvedev informed Soto of the progress made in organizing the 19th CPSU Congress scheduled for the end of this month. This will mark a very important moment in the restructuring process of the Soviet economy and society. He also referred to the achievements of Soviet economic development this year and highlighted the accomplishments in industry and services to the public that were as a result of the people's efforts.

Lionel Soto reported to Medvedev on fulfilling the agreements reached at the Third PCC Congress and the process of rectifying mistakes and negative tendencies in our country.

Raul Castro Attends Defense Demonstration

FL0806140588 Havana Tele-Rebelde Network
in Spanish 1100 GMT 8 Jun 88

[Excerpt] The 2d day of the "35th Anniversary of the Moncada Barracks Assault" maneuvers began with a simple tribute to our heroes and martyrs from the era of the struggles for independence to the present.

One of the main topics discussed today was the patriotic-military internationalist system and the expertise this has provided the Niceto Perez Municipality.

Army General Raul Castro stressed during a demonstration that this system should be applied gradually throughout the country. It should be done on a firm basis, he said, until it is part of the culture of the masses, just as the country's preparation for the defense is now. [passage omitted]

Observes Artillery Exercise

FL0906012588 Havana Television Service in Spanish
0000 GMT 9 Jun 88

[Text] Presided over by Army General Raul Castro Ruz, minister of the FAR, the "35th Anniversary of the Moncada Barracks Assault" maneuvers are continuing today in Guantanamo. Our correspondent Dalia Reyes reports to us from that province.

During the 2d day of the "35th Anniversary of the Moncada Barracks Assault" maneuvers, Raul and those accompanying him observed the female anti-aircraft artillery regiment of Guantanamo. There, the artillerywomen carried out a tactical exercise, combatant actions [as heard] of this regiment during the [words indistinct] of an aerial enemy.

[Begin recording] [Artillerywomen] I am very proud to be at the side of my comrades and to know that if our country is attacked, we, the artillerywomen, will defend our country.

[Unidentified female speaker] I feel that I am where I should be. [end recording]

PRC Friendship Delegation Arrives in Granma

FL0606220088 Havana Radio Reloj Network
in Spanish 1959 GMT 6 Jun 88

[Text] According to a report from Manzanillo, a delegation from the Chinese People's Friendship With Foreign Countries Association arrived today in Granma Province as part of a visit to the island.

The delegation comprises (Lu Shengying), vice president of the Association, (Shou Hingchang) and (Wang Hong-jiang), general vice secretary and member of the council of the Chinese-Latin American Friendship Association, respectively. Since their arrival to the country on 2 June, they have visited places of historical, economic, and social interest in the capital, in Santiago de Cuba Province, and now they are in Granma.

At the Niguero Municipality, they visited Playa Las Coloradas, where the Moncada expeditionaries landed. At Manzanillo, they toured the Demajagua National Park where Carlos Manuel de Cespedes undertook the emancipation of the Cuban people.

Ecuador's Pazzos Comments on Visit

FL0806203888 Havana Radio Rebelde Network
in Spanish 1700 GMT 6 Jun 88

[Text] General Frank Vargas Pazzos, former Ecuadoran presidential candidate, is in our country heading a delegation of Ecuadoran politicians. He was interviewed by our journalist Alexis Sotolongo for Antena Uno [news program] and gave his first impressions of his visit.

[Begin Pazzos recording] I have visited Cuba to observe the progress made by this revolution. I have not only confirmed this during my visit but have also been given lessons aside from what is written in the law, regulations, or reports. I have seen the solidarity of the people and the meaning of their understanding. I have been able to appreciate their kindness. I have seen their open arms, smiles, and their way of expressing Latin American brotherhood.

With this, I would like to say that upon returning to my fatherland, I leave with many concerns. Undoubtedly, these will lead to the formulation of methods and positions regarding the commitment we have with our peoples. This is why I say to these people and their leaders: Thank you. I appreciate what I have been allowed to enjoy here in Cuba. Also, I would like to say that despite the distance, my commitment is that we are on the same track so that someday the theses of our liberators, leaders, and revolutionaries, such as Commander Fidel Castro, can be consolidated. Their efforts, ideals, and dreams are deeply rooted in the hearts of our peoples and, in a very special way, in mine. [end recording]

Red Cross Continues To Visit Penitentiaries

FL0806151388 Havana Radio Progreso Network
in Spanish 1100 GMT 8 Jun 88

[Text] At the invitation of the Cuban Government, the delegation from the International Red Cross Committee continues to visit penitentiaries throughout the country. The committee arrived in May and will be able to observe the system of respect for human rights.

Crop Losses Continue Despite Wage Increase

FL0806183488 Havana Tele-Rebelde Network
in Spanish 1700 GMT 8 Jun 88

[Speakers identified by caption]

[Text] Havana's Diversified Crops Enterprise lost 4,000 quintals of vegetables during the first 3 months of this year in lot No 3 in the town of Fontanar. Another 3,000 quintals of tomatoes, pimientos, carrots, cucumbers, and beets also run the risk of going to waste because of shortages in the work force.

[Begin recording] [Reporter] What is happening with the work force here in this unit?

[Juan Ramon Pita, 8 March Unit] Comrade, we need 50 workers to take care of the agricultural and harvest tasks of this unit. You can see here how no less than 500 quintals of tomatoes are going to waste because we do not have the workers. Fruit is also being lost because we do not have the people to perform agricultural tasks.

For example, our unit should have produced 1,500 quintals of tomatoes, which is what our commander in chief wants. We are all working to harvest 5 lbs of tomatoes per plant. However, our work force problem precludes our giving the appropriate attention to this task. Now the tomatoes are ready and they are going to waste because we do not have the workers.

In Havana, there is a great deal of competition. This same salary in another province is good; however, anyone can make this same salary anywhere in Havana. Competition is very high in agriculture.

[Reporter] Yes, the [words indistinct].

[Ramon Pita] Yes. The comrades here can earn the same salary anywhere else in the shade, in an industry, in a factory. There are many work centers where they can earn the same amount and have water and not have all the hardships we have in agriculture.

[Reporter] Has not the recent wage increase for agricultural workers helped you?

[Ramon Pita] Look comrade, I was talking with some other workers. It just so happens that one of our comrades left. There are problems.

The increase has benefited agricultural workers, but it has not resolved the problem because they can earn more elsewhere. For example, a sweeper can make more than an agricultural worker here. Factory workers earn more, and they have better working conditions and are closer to home.

[Ricardo Rivero, Nucleo del Partido Unit] We lose crops because we do not have the workers we need. This has been going on for awhile. We have been fighting this problem and we keep getting beaten down. We are carrying out the revolution under these conditions.

A week after planting. (?we lose it). Our workers also want an answer to this, and we must respond to them in political terms.

Correction to Castro's Cooperatives Speech

The following correction pertains to the item headlined "Castro Closing Remarks at Cooperatives Meeting," published in the 7 June Latin America DAILY REPORT on pages 2-9:

Page 4, column one, last paragraph, line four reads: ...description of this sacharina [sacharina] and there is also sacharea [sacharea]. I looked at...(changing "molasses" to "sacharina," providing vernacular)

Same page, column two, first paragraph, line three reads: ...approximately 450 tons of sacharina can be extracted.... (changing "molasses" to "sacharina")

Page 5, column one, last paragraph, line twelve reads: ...to produce this sacharina? Should we manufacture... (changing "molasses" to "sacharina")

Page 7, column two, last paragraph, line eight reads: ...you call it, sachariza [sachariza]? [speaker corrects him] The famous sacharina. Right now we... (providing vernacular, changing "molasses" to "sacharina")

Page 8, first full paragraph, line three reads: ...of the famous sacharina. They have also... (changing "sucrose" to "sacharina")

Inter-Caribbean Affairs

OECS Sets Date for Trade Barrier Removal
FL0806164588 Bridgetown CANA in English
1457 GMT 8 Jun 88

[Text] Castries, St. Lucia, June 8, CANA—The Organisation of Eastern Caribbean States (OECS) has set July 1 as the new target date for member states to remove all barriers to free trade within the sub-region. The seven OECS governments had previously agreed to pass the necessary legislation by January 1, 1988 but only Dominica and St. Lucia have done so.

At the OECS summit in St. Vincent and the Grenadines last week, there was some dissatisfaction because the legislative process was incomplete, OECS Director General Dr. Vaughn Lewis said here.

The heads decided that by July 1 everyone will take the necessary legislation before parliament. There were one or two countries that wanted to maintain some protection for particular industries, and it was agreed that they will be given a limited amount of time of one year for the two industries involved, he said. A communique issued here on Monday identified the industrial products as wheat flour and beer. It noted that the economic affairs committee, which comprise the ministers of trade and industry noted the continued importance of the OECS market for Caricom products.

The communique pointed to the 9.1 per cent increase on the OECS intra-Caricom imports in 1987. On the other hand, there was a 16 per cent decline in OECS export to the Caricom market. Lewis said that the heads of government conscious of the need to place themselves in a proper position to deal in Caricom and the international environment, are seeking to consolidate their own free trade system.

One of the very interesting things in the discussion at both meetings of the economics affairs ministers and the heads of government was the extent to which the OECS is still holding its own as the biggest market for Caricom goods, Lewis said. The OECS comprise seven of the 12 months in the Caribbean Common Market.

Still the extent to which there has been declines in trade and declines in the OECS exports to Caricom states, for example OECS exports to Trinidad and Tobago fell, heads of government have to look at the question of how to free up trade in the Caricom movement as a whole, Lewis added.

The OECS heads did not want a situation of freedom of trade in the whole Caricom movement in which their exports are not able to move, and so they decided that just before the Caricom heads meet the ministers of trade should meet again and take a common position on the issue.

Caricom heads of government at their July 1987 summit in St. Lucia agreed that the 12 common market member states would remove all barriers to intra-regional trade from October 1, 1988.

Dominican Republic

Transfer of Dollars to Nation's Banks Urged
FL0806165888 Santo Domingo Radio Mil Network
in Spanish 1212 GMT 8 Jun 88

[Text] The Central Bank governor has called on Dominicans living in the United States to transfer their dollars to banks in the Dominican Republic. The appeal was published by the EFE press agency.

Dr Roberto Saladin has appealed to the patriotism of Dominicans living in the United States to invest in their country. The Central Bank governor also announced that he will soon travel to the United States to explain why dollars earned in the United States should be deposited in Dominican banks, which pay interest rates higher than U.S. banks.

Dr Saladin said his trip to the United States is to establish more direct contact with Dominicans, who number more than 200,000, so that they can also make financial investments in bonds issued by the Central Bank.

The press agency article ends by saying that Saladin will be accompanied by reserve bank authorities to motivate Dominicans and facilitate the transfer of funds so that the Central Bank can capture the greatest amount of dollars possible.

Workers Term Minimum Wage 'Economic Trap'
*FL0806164288 Santo Domingo Radio Mil Network
in Spanish 1152 GMT 8 Jun 88*

[Text] The Dominican Workers Federation [Central Obrera Dominicana, COD] has said that the minimum wage of 500 pesos a month for private employees is an economic trap. The workers organization said that this increase will hurt more than 2 million Dominicans because the salary adjustment only benefits 300,000 private employees. The money they get will come from the most recent price increases the people have been paying for basic goods.

What was first seen as an achievement has now become a source of increased inflation, said the COD. In a document given to Radio Mil, the COD said that they warned of this possibility several times because salary adjustments in an economy such as ours have a tendency to be carried by basic consumer goods.

Trade union leader [name indistinct] said that the minimum wage of 500 pesos, which barely benefits 5 percent of the working population, will become a big headache for the people.

The COD said that the peoples' movement—composed of trade union and peasant organizations which were excluded from the tripartite talks—should denounce the situation.

Factors Contributing to Energy Crisis Viewed
*FL0806160788 Santo Domingo Radio Mil Network
in Spanish GMT 8 Jun 88*

[Text] Blackouts once again occurred for 10 to 12 hours in Santo Domingo over the past few days due to the shortages of energy supplied by the Dominican Electricity Corporation [CDE].

Some of the factors contributing to the long and extensive power outages include the lack of resources to purchase fuel, the drought that has affected hydroelectric plants, and equipment breakdowns.

Reports indicate that (?six units) of the CDE that operate with gas are paralyzed because of fuel shortages. Only one unit is still operating.

The CDE owes 11 million pesos to fuel suppliers.

Hydroelectric plants, which usually provide 100,000 kilowatts of energy, are only supplying 20,000 kilowatts because the drought has made it necessary to give priority to irrigation.

The energy situation worsened yesterday because out of 60 circuits throughout the country, more than 30 were not working.

CDE public relations official Miguel Jimenez denied reports that the government gave the CDE only 4 million pesos last May. Jimenez said that extraordinary efforts are being made and that the government (?should increase) its monthly allotment to the CDE from 10 million pesos to 17.8 million pesos.

Jamaica

Soviet Embassy Denies Knowledge of Defection
*FL0906023088 Bridgetown CANA in English
2200 GMT 8 Jun 88*

[Text] Kingston, Jamaica, June 8, CANA—The Soviet Embassy here on Wednesday expressed surprise at a Jamaica Government claim on Tuesday night that a Soviet intelligence officer had defected here late last year.

We have not received any information from (National Security) Minister (Errol) Anderson, embassy attache, Dimitri Chuvilkin, [name as received] told CANA. We were surprised when he made the statement in the Parliament and when it was published in THE GLEANER. And it said that this happened last year, he added.

Anderson did not name the intelligence officer, or say for whom he worked or precisely when the defection happened. The defection was not disclosed before for security reasons, the Jamaican minister said. The defector had a Jamaican wife who had studied in the Soviet Union, who had been a supporter of the Marxist Worker's Party of Jamaica (WPJ), Anderson said. Added the Jamaican minister: This Soviet citizen is well educated and articulate and chose to defect from the Soviet Union to Jamaica, apparently because his experiences in the Soviet Union and that of his Jamaican wife demonstrated that our freedom and democratic way of life, as opposed to the Communist Party structure of his native country, will provide him with fundamental freedoms.

THE GLEANER newspaper on Wednesday said that the couple had since left for the United States, after providing security officials with a tremendous amount of information on the Soviet Union's intentions in the Caribbean as well as the plans of the WPJ. The paper claimed that the defector was a high ranking officer in the Soviet secret service who had become upset with racist attitudes in the Soviet Union to his black wife.

Chuvilkin insisted that Anderson's remarks and the subsequent press report was the first time the embassy here was hearing of the case. We know nothing about here. [sentence as received] There has been no information from Moscow, he said.

Tanzania's Nyerere Advocates Armed Struggle
*FL0806214288 Bridgetown CANA in English
1644 GMT 8 Jun 88*

[Text] Kingston, Jamaica, June 8, CANA—Former Tanzanian President Julius Nyerere is advocating a full-scale guerrilla war to force an early end to apartheid

in South Africa. I don't believe myself that if the South African regime continues to have a monopoly on fire power that we can bring about change quickly, said Nyerere, who left Jamaica on Tuesday night at the end of a five-day visit as guest of the opposition People's National Party (PNP).

He told journalists: What happened in Mozambique, in Angola, in Rhodesia, now Zimbabwe; must also happen in South Africa. The political struggle must be backed by an armed struggle. I suppose the ANC (African National Congress) will simply have to build that part up.

The ANC, which is banned in South Africa, engages in sporadic guerilla attacks on economic targets inside the country. But it has not engaged in the kinds of full scale war that drove the Portuguese out of Mozambique and Angola and toppled the white-minority government in Rhodesia.

Nyerere conceded that starting and sustaining armed struggle in South Africa would very difficult against an extremely well-armed government. But it is a necessary part of the struggle, he said.

Nyerere also criticised the U.S. and British administration for contributing to the intransigence of South Africa's white minority government by not putting enough

pressure on Pretoria to dismantle the policy of racial separation. Nyerere said the South African regime would not give up power without tremendous pressure, both from within and outside the country. Last year I thought political pressure inside South Africa had virtually reached the maximum, but they were not matched by pressure from outside, he added, noting U.S. and British opposition to mandatory economic sanctions against Pretoria. At present they have succeeded to some extent in reducing the internal pressures, he said. Those internal pressures will have to be rebuilt and we have to continue to work for greater pressure from the outside.

Nyerere was more optimistic for an earlier South African pull-out from Namibia. The South African regime, the Angolan government, the United States and Cuba have met recently hoping to find a formula that would provide for Namibian independence in exchange for the withdrawal of Cuban troops from Angola and the end of U.S. and South African sponsorship of Angolan rebels.

Part of the reason for Nyerere's optimism is the belief that U.S. President Ronald Reagan wants to leave office being able to say that he was the president that got the Cubans out of Angola. The South Africans can be made to fulfill those conditions (for Namibian independence) if you get enough pressure from the United States, he said.

9 June 1988

MEXICO

6

PMS-Democratic Current Pact; Castillo Withdraws
PA0806181288 Mexico City XEW Television Network
in Spanish 1300 GMT 8 Jun 88

[Report by Dalila Antuna]

[Excerpt] Yesterday at 1130, a political agreement was signed between the Mexican Socialist Party [PMS] and the Democratic Current by which Heberto Castillo withdrew from the presidential race and Cuauhtemoc Cardenas Solorzano became the presidential candidate of both parties.

The now former PMS presidential candidate said:

[Begin Castillo recording] This is not an opportunistic alliance; this is not an alliance created only for electoral purposes. We have clearly stated our decision to open up roads for the democratic convergence of the revolutionary forces of this country. [end recording]

Castillo also pointed out that the new alliance will respect the various options offered by the political parties. He said that yesterday was not a sad day; and described the decision as an important, historic, and political one.

Cuauhtemoc Cardenas Solorzano said the alliance will fight to win the elections, but will also continue working together. He said Castillo's decision was a brave one and he accepted the responsibility of having the support of the PMS and Democratic Current.

The agreement signed between the PMS and Democratic Current includes 13 points of agreement and 7 political commitments. The agreement mainly refers to the political platforms of both organizations.

Cardenas Solorzano said the struggle would not end with the elections and, if elected, the government would be pluralistic. It will solve the people's problems and will work to achieve full economic independence.

Meanwhile, Manuel J. Clouthier is conducting his last campaign tour in the state of Guerrero. In Taxco he said the ideologies of the National Action Party [PAN] are not for sale and, in his own words, they cannot be exchanged. Likewise, he ruled out any possibility of an alliance between the PAN and the Mexican Democratic Party. He said both parties have similarities, but also great differences, such as the fact that PAN followers are not populists. Clouthier said the agreement between the PMS and the Democratic Current is aimed at creating a new PRI-type organization in which there is statism, socialism, and communism. [passage omitted]

Costa Rica

Supporters of Rodriguez Defend Accusations
PA0706215788 San Jose LA NACION in Spanish
31 May 88 p 11-A

[Paid announcement by the Miguel Angel Rodriguez Movement issued in San Jose on 30 May]

[Text] In the last few months, Dr Miguel Angel Rodriguez [Social Christian Party presidential hopeful] has made several accusations of irregularities in public administration.

Recently he submitted to the Attorney General's Office an identification card identifying Argentine [Roberto] Fionna as a security official. A few days ago he gave the president a copy of a letter signed by the deputy minister of public security thanking Camilo Gozaine, [former] Panamanian Legislative Assembly president and well-known businessman, for the donation of equipment and other aid for Oscar Arias' presidential campaign. The letter says: "The undersigned, as national security coordinator, expresses thanks, on my behalf and on the behalf of the National Liberation Party, for your new and valuable cooperation...."

Unfortunately, the president, who deserves our utmost respect, has misinterpreted Dr Miguel Angel Rodriguez' intentions and has wrongfully considered them a political maneuver. Miguel Angel Rodriguez, respecting both the authorities and the president, made these accusations before the appropriate authority, without making the matter public so as to not hamper investigations. It was the president, or at least his official, who made statements to the press and even acknowledged these facts.

The proof requested by the president is in his hands and was sent to him by Miguel Angel Rodriguez. Moreover, it was confirmed by the official involved when he admitted asking Gozaine for a donation.

If the president does not consider it irregular that the deputy minister, who was then security chief of his campaign, asked for that compromising donation from a foreigner, then this is a problem of moral values, not of lack of evidence.

The case is not a political one; it is a case of national interest.

Dr Miguel Angel Rodriguez' attitude has remained the same from the moment he made his first accusation. It is the same concern of all Costa Ricans: It is time to stop politics from covering up bad practices and from undermining our country's morals!

The president can expect total cooperation from Dr Rodriguez and those around him in ridding the country not only of corruption and drug trafficking, but also of those who treat morals lightly or who believe morals can be compromised.

Whenever we have another case of irregularities on our hands, we will also report it directly to the authorities or to the president, without making it a political issue. Without morals, democracy crumbles, and without democracy, there is neither peace nor justice. Politics are important, but our country's morals are even more important.

San Jose, 30 May 1988

Miguel Angel Rodriguez Movement

El Salvador

ARENA Withdraws From National Talks
PA0806160988 Panama City ACAN in Spanish
1442 GMT 8 Jun 88

[Text] San Salvador, 8 Jun (ACAN-EFE)—Today officials sources reported that right-wing Nationalist Republican Alliance (ARENA) has withdrawn from the talks held by the three major political parties and the government. The purpose of the talks were to draft a peace proposal.

The talks, which began on 24 May among President Jose Napoleon Duarte, ARENA, the ruling Christian Democratic Party (PDC), and the National Conciliation Party (PCN), sought to draft a national peace proposal. The proposal would have been submitted afterwards to the Salvadoran guerrillas.

Culture and Communications Minister Roberto Viera said that ARENA, the chief opposition party, decided not to attend the talks, arguing that they must continue in the Legislative Assembly.

Viera described ARENA's decision as "individualist." He urged the diverse political forces to carry out actions aiming at solving the Salvadoran armed conflict.

The government, the PDC, and the PCN attended the last meeting.

PDC and PCN leaders agreed the talks should not only center around talks with the guerrillas but should also include issues regarding agricultural, banking, and foreign trade reforms, as well as democratization and economic revitalization.

According to the PCN's Rafael Moran Castaneda, it is indispensable for the three majority parties of the regime to "discuss and open up maneuvering room to review the factors causing the current conflict."

Viera said that the PDC will participate in the discussions that ARENA may organize in the Legislative Assembly to draft a national peace proposal.

FDR's Ungo on Peace Prospects, Proposal

PA0806031088 San Salvador Canal Seis Television
in Spanish 0200 GMT 7 Jun 88

[Report on statement by FDR President Guillermo Ungo on 6 June; place not given—passages within quotation marks are recorded]

[Text] Today Guillermo Ungo, National Revolutionary Movement secretary general and FDR president, said the short-term possibilities for peace in El Salvador are slim. He also analyzed an international workshop held in San Salvador and added that this is a very important year because progress and important definitions have been made. In addition, he said, election campaigns are under way in El Salvador and the United States. Ungo, who participated in an international workshop called European-Central American Cooperation, El Salvador Case, held at the Jose Simon Canas Central American University [UCA], said one of the conclusions reached was that no solution to the Salvadoran conflict is in sight for the time being:

[Ungo] "The path is difficult. We foresee no political solution in the short term; in other words, this year. Nevertheless, this year is important because it is one of progress and important definitions, all of which could contribute to more significant progress in the near future. We hope this could happen next year. Several important events will take place soon. These include not only the Salvadoran elections, but also the U.S. elections, which will be held before the Salvadoran ones. Perhaps we could then find a political solution.

"I think a consensus was reached on this. We have to keep working constantly to make dialogue and negotiations more possible. This is not easy. The growing desire for peace of the majority of the Salvadoran people could become a pressure that political parties cannot ignore, however."

The FDR leader, who returned to the country recently in an attempt to widen his party's following, said reiterating initiatives without changing the factors that made the previous talks fail makes no sense. Last month the rebels had proposed meeting with the government, but this proposal was turned down by the political parties, the Armed Forces, and the executive branch, all of which argued that as long as the impasse at the Legislative Assembly remains unresolved, it would be impossible to resume the dialogue, which has been stalled since the last meeting in San Salvador in October. Ungo commented on this rejection:

[Ungo] "Our latest proposal apparently was rejected at the beginning. More recent remarks by the government, however, seem to indicate that this proposal still has some chance of being accepted, even with conditions. This proposal was addressed to the government in general because the latter includes legal and formal power, the president of the executive branch, the leadership of the Legislative Assembly, and the Armed Forces. We think this would give the proposal a greater chance of being discussed. Maybe a

dialogue could be held, which could lead to some understanding. Anyway, I think that this is not easy and that such an understanding would be minimal."

Ungo said the workshop held at UCA last week succeeded in convincing European nations to help Central America in every field. Ungo added that the workshop helped demonstrate that it is possible to use discussion and dialogue to find points of disagreement and agreement.

FMLN's Villalobos on Elements of Strategy

PA0606225788 Mexico City Red Nacional 13
Imevision Television in Spanish 1955 GMT 6 Jun 88

["Part 1" of interview with Commander Joaquin Villalobos, FMLN General Command member, by Epigmenio Ibarra in El Salvador; date not given—recorded]

[Excerpts] [Ibarra] Joaquin Villalobos, a member of the FMLN General Command, is one of the key people in the Central American conflict and one of the most sought after. It is very difficult to locate him in El Salvador. In El Salvador and in Washington Joaquin Villalobos is considered a brilliant strategist, and we are talking with him here in El Salvador.

The FMLN continues to hope for victories; what is this hope based on?

[Villalobos] The question should not be whether or not we continue to hope for more victories. The question should be whether a totally weakened government can keep going after 7 years of war and after investing \$2 or \$3 billion in an army that has no solutions to its tactical and strategic problems; whether the government can continue to wage this war despite the fact that it has no political advantages or means to resolve the social and economic problems.

Approaching the matter from this viewpoint, let us establish a political and military correlation. As far as we are concerned, the people only have two alternatives: to fight, or die of hunger. [passage omitted]

We could say that in the past the FMLN military forces were symbolic forces; our forces directed the masses. Today, despite all the Army may have done and said, we have strategic rearguards. Today we are waging a war that is closely linked to political factors. [passage omitted]

The FMLN is linked to the people and to the masses. We seek to solve the economic and social crisis; we seek changes to the current process. That is our advantage and the main element of our strategy.

On 'Structure' of 'Enemy'

PA0806122788 Mexico City Red Nacional 13
Invasion Television in Spanish 1955 GMT 7 Jun 88

["Part 2" of interview with Commander Joaquin Villalobos, FMLN General Command member, by Epignenio Ibarra in El Salvador; date not given—recorded; broadcast in progress]

[Excerpts] [Villalobos] ...the conflict is politically defined. The military's role in the development of the Salvadoran conflict is one of dynamic acceleration. That is the basis of our strategy: incorporating people into the revolutionary war in diverse ways, ranging from the direct—such as the integration of permanent forces—to the creation of clandestine forces of all types and the encouragement of popular insurrection and radicalization, which, at this time, has great prospects. [passage omitted]

Since the time of the Christian Democratic pact in 1980, we have determined what we would describe as the structure of what we call our main enemy. It consists of three major components. One is the Reagan administration's current policy, which is the main component. The other two components are dependent on this one. The second consists of the Christian Democrats, that is, the Christian Democratic government, which has made Reagan's policy feasible. The third component of what we call the main enemy is the Army High Command—the sector of the Army that is the most committed to the counterinsurgency policy.

The weakening of the Reagan administration's policy in the region has international ramifications. The masses perceive this. Esquipulas II is an incentive for the masses to fight and to present their demands. Another factor is the fighting, the conflicts within the enemy camp, which is becoming more visible within the electoral process. Thus, all those factors stimulate the people's struggle. [passage omitted]

Honduras

PINU Leader on Role of Military in Country
PA0806041188 Tegucigalpa EL HERALDO in Spanish
7 Jun 88 p 5

[Report on "exclusive interview" with German Leitzelar, president of the Innovation and Unity Party (PINU), by EL HERALDO editor Eduardo Maldonado—date and place not given]

[Text] The Honduran Armed Forces continue to hold real and concrete power over civilian authorities because Honduran "leaders" have become accustomed to knocking at their door and asking for advice about what to do each time there is a problem.

This is the opinion of German Leitzelar, president of the Innovation and Unity Party (PINU), who contends that in Honduras there is a "militarism" that becomes evident even in the civilian government's decisionmaking process.

According to Leitzelar, a case that demonstrated Honduran militarism was the dismissal of General Gustavo Alvarez Martinez as Armed Forces chief, because he was removed in an arbitrary manner and in violation of the Constitution.

The PINU president said that Alvarez' dismissal was an appropriate step because it brought an end to the national security policy he was pursuing. However, he added, the way in which he was removed was something other than appropriate, because there was talk of a resignation at the National Congress and Alvarez was expelled from Honduras.

Leitzelar added that the case of Rodolfo Zelaya also demonstrated that the military holds real power. Zelaya was forced to leave Honduras because he had some money-related problems with a group of officers, and there was no complaint from the civilian authorities in his case either.

In his exclusive interview with EL HERALDO, Leitzelar noted that there is no confrontation between the military and the government; the problem is a lack of respect for the law.

He said that, according to the Constitution, the Armed Forces must be obedient and impartial. The Constitution also states that the Armed Forces are obliged to defend the democratic system, and this must not be done by staging coups d'etat but by restoring order if a crisis occurs.

The political leader believes that the military and civilians must respect each other and that this is important to the strengthening of the democratic system.

In Leitzelar's opinion, the military and civilians must draw up a political agenda covering economic, political, and social aspects and not hold their own, separate views, as has been the case in recent years.

The Hondurans who "go to the garrisons to ask the military to intervene in matters not within its purview" are to blame for the supremacy of military over civilian power, Leitzelar asserted.

He said that the military often refuses to intervene, but that civilian leaders often insist and the military finally obliges. He mentioned as a case in point the crisis of March 1985, when politicians went to Air Force offices to sign the now famous alternative "B" [not further identified] that was used in the general elections.

According to the PINU leader, the only way to do away with militarism in Honduras would be to reach an agreement among the various forces to improve the people's lives.

He said it is not that the people are afraid of weapons but that the civilian authorities have lost the legitimacy they get through elections. In other words, he explained, instead of getting strength through the people's support, they seek the strength of weapons to manipulate power.

One thing causing tension between the military and civilians is the mandatory military service, Leitzeler said, adding: This is because parents feel that when their sons are called up to fulfill this constitutional mandate, they are humiliated and are not treated like human beings.

Leitzeler feels that what should be done in this case is to amend the law on mandatory military service and eliminate "the chasm between the people and the military."

The PINU president ruled out the possibility of a military coup. He feels that even though some domestic conditions could encourage a coup, the regional conditions are not appropriate.

"A coup would break the structure for the democratization of Central America," he said.

The end of President Jose Azcona Hoyo's term is almost 18 months away, and the people should no longer expect anything from his administration, the PINU leader added.

What awaits the president during these last few months is a difficult situation because of the constant campaigning and the struggle to the death among the many candidates in the Liberal Party itself, Leitzeler noted.

He said that there has been more authoritarianism than leadership during the Azcona administration and that the people are also responsible for this, because they have little political training.

According to the PINU president, the Azcona administration lost sight of all the national goals it could have pursued from the beginning of its term. This is not the direct responsibility of the president but of those who have left him alone to engage in their personal struggles at the Presidential Palace, Leitzeler said.

Nicaragua

Government Spokesman on 1st Day of Talks

PA0806125888 Managua Domestic Service in Spanish
1157 GMT 8 Jun 88

[Statement by Manuel Espinoza, press and information director of the Presidency, in Managua on 7 June—recorded]

[Text] We must state the following: It had been initially agreed that today's meeting would last until 1730. However, because of the interest in continuing the negotiation, after a short recess this afternoon the talks continued until 1900; in other words, 90 minutes more.

The point that was first addressed was point No 26 of the Nicaraguan Government's integrated proposal. Substantive progress was achieved on that point.

After point No 26, and in accordance with the Nicaraguan Government's proposal, point No 10 of that document was discussed. Point No 10 states that the Verification Commission created by the 3 March Sapoa agreement will have no more than 7 days after the date that is agreed upon to confirm the location, number, and identification of the Resistance members who are in the zones. There were discussions at length on this point but no final agreement was reached. A decision was postponed in order to think and reflect on this point.

Point No 11 was then discussed. Point No 11 refers to the organization that will deliver the humanitarian aid. As you will recall, the government initially proposed the International Red Cross and the counterrevolution did not accept this proposal. In order to help the irregular forces of the counterrevolution receive provisional aid, the Nicaraguan Government accepted OAS Secretary General Baena Soares' proposal that the Pan-American Development Foundation provisionally deliver this aid. Nevertheless, in the integrated proposal, a copy of which you received in the previous round of talks, Nicaragua maintained its proposal about the International Red Cross. The meeting was suspended at 1900 and no final agreement was reached on this point.

Nevertheless, as we said earlier, we believe that the positions of both delegations got closer. That is the report we wanted to give you.

RN Demands Recognition

PA0806232488 Hamburg DPA in Spanish 2221 GMT
8 Jun 88

[Excerpts] Managua, 8 Jun (DPA)—Today the U.S.-backed "Nicaraguan Resistance" [RN] demanded that the Sandinist government recognize the organization as a political force that can participate in the national dialogue and join the political parties in negotiating the democratization process in Nicaragua.

The "contra" proposal was announced by Sandinist government spokesman Manuel Espinoza, who described it as "illogical" because it violates the "Esquipulas agreements," which establish that recognized political parties can participate in a domestic dialogue. [passage omitted]

A government source said the "contras" have agreed to allow a development foundation distribute U.S. humanitarian aid, but they do not want the foundation's name to appear in the agreement.

These contradictions could lead to the failure of the negotiations and the resumption of fighting with increased intensity in the Nicaraguan mountains, with the "contras" using U.S. aid to continue the struggle to

seize power. Observers believe the counterrevolutionaries are trying to cause the negotiations to fail so they can once again receive U.S. aid.

RN on Disarming

PA0806235488 Panama City ACAN in Spanish
2257 GMT 8 Jun 88

[Text] Managua, 8 Jun (ACAN-EFE)—Today Azucena Ferrey, the only female member of the contra Directorate, today that the Nicaraguan Resistance will not disarm or disarm as long as the causes of the war in that nation continue.

"We are not going to allow little tricks to be used to disband the RN or allow an attempt to use a process of talks to achieve what (the Sandinist Army) has not been able to achieve on the battlefield," Ferrey added.

According to Azucena Ferrey and Alfredo Cesar, rebel leaders who are participating in high-level negotiations with the Nicaraguan Government, the war in this country, which has lasted over 8 years, "was motivated by the lack of public freedoms."

The contra leaders made these statements this afternoon after newsmen asked them why they now plan to participate in the national dialogue as the "Nicaraguan Resistance."

It has been established that after the irregular forces are settled in the cease-fire zones, the RN will participate in the political dialogue through a maximum of 8 representatives. The rebel delegation is now proposing that its forces participate in the national dialogue as the "Resistance," with an undetermined number of representatives.

The government said this change, proposed today during the fourth round of negotiations, is not acceptable, because it would displease the other political parties that will participate in the dialogue with a single delegate. Moreover, according to a government spokesman, for the RN to participate in the national dialogue it must first legalize its status and become an unarmed political group. The political dialogue has been paralyzed since 26 April, when the 14 opposition parties that were talking with the government withdrew because the authorities refused to resolve a strike by construction and auto workers.

For his part, Alfredo Cesar, the contras' chief negotiator, insisted that unless the government implements a number of measures to democratize the country, RN troops will not become incorporated into civilian life.

"We have explained over and over that the most basic and substantive part of the agreement is the commitment that the government must make to democratize the country so the rebels can rejoin political life," Cesar said. According to the contra leader, the government must set a specific date to begin the democratization, which must in turn be verified before the RN promises to disarm.

RN on 2d Day of Talks

PA0906034188 Panama City ACAN in Spanish
0204 GMT 9 Jun 88

[Excerpts] Managua, 8 Jun (ACAN-EFE)—The armed Nicaraguan Resistance today expressed "concern" over Nicaraguan Government reports to the press on "more and more progress being made when this progress is not being clearly defined in writing."

Today Alfredo Cesar, chief negotiator of the irregular forces' Directorate, told newsmen that with the fourth round of talks at the halfway mark, more than 50 percent of the topics on the agenda have been covered.

The meetings began on Wednesday and are scheduled to end tomorrow.

"If the Sandinists are unwilling to transform verbal exchanges, statements, and progress into written agreements, it is because the government is trying to avoid getting into specifics and is shirking its responsibility," Cesar said.

He added that if the government wants to arrive at written agreements, duly verified by witnesses, this could be done in "3 hours; otherwise, it could take years."

Cesar said that the arrest of opposition leaders in Managua only hours before the meeting with the RN "can be interpreted as a statement of the government's obvious lack of a guaranteed commitment to arrive at serious agreements for a definitive cease-fire."

The government also made similar charges against the contra leaders. [passage omitted]

The 2nd day of the fourth round of negotiations between the government and the RN ended tonight amid tension arising from the fact that the rebel Directorate was unable to hold scheduled meetings with the leaders of 14 opposition political parties.

The government ordered the detention of the opposition political leaders for several hours for having attempted to carry out a public demonstration, which was forbidden by the authorities on the grounds that the dissidents had not obtained the required permit.

On Tuesday, during the continuation of the fourth round of peace talks—which began in Sapoa on 21 March—the topic of democratization was discussed and "substantive progress" was made, although no agreement was signed, according to official sources.

On the same day, the work of the Verification Commission, headed by Cardinal Miguel Obando y Bravo and Ambassador Joao Clemente Baena Soares, was also discussed. However, it was decided to leave the matter pending.

Another point left pending deals with humanitarian aid for the RN fighters. [passage omitted]

In today's difficult sessions, the delegations headed by General Humberto Ortega and Alfredo Cesar continued discussing the topic of amnesty, without reaching any agreement.

For the first time, the negotiators discussed the sensitive issue of disarming the irregular troops, and the government introduced modifications to its original proposal, which will continue to be discussed tomorrow. [passage omitted]

Defense Ministry Reports Contra Attacks

PA0806190588 *Managua Domestic Service in Spanish*
0300 GMT 7 Jun 88

[Communique issued by the Defense Ministry in Managua on 6 June]

[Text] Combat actions in response to counterrevolutionary forces actions against our forces: On 2 June, the counterrevolutionaries attacked our forces the La Pintada locality, located southeast of Cara de Mono, Chontales Department. Six mercenaries were killed.

On 5 June, Honduran Army troops harassed our troops' observation post located in Murupuchi from the (Zanjón Hondo) sector. This is located 5 km north of Teotecacinte.

Terrorist actions against the civilian population and economic objectives by the mercenary forces loyal to former Somozist Colonel Enrique Bermudez: 1. On 31 May, mercenary groups kidnapped six civilians in the area called (La Chinela), northeast of La Gateada, Chontales Department. On 2 June, the contras kidnapped a civilian in the place called (La Pila), southwest of Wiwili, Jinotega Department. On 3 June, they attacked a home northeast of Matiguas, Matagalpa Department. As a result, two civilians were killed and three were injured.

Names of the civilians killed: Cornelio Escorcia Altamirano, 48; Maria Estela Garcia, 4. Names of the civilians injured: Esperanza Hernandez Gutierrez, 38; Juan Escorcia, 6; Maria Escorcia, 9.

On that same day, eight civilians were found in the area called Kusawas, located southwest of Rancho Grande, Matagalpa Department. Also that day, the contras blew up three electricity poles in (Cuculi), northwest of Matiguas, Matagalpa Department.

Issued in the City of Managua on 6 June 1988.

RN Denied Permission To Meet With Opposition

PA0906012288 *Panama City ACAN in Spanish*
1656 GMT 8 Jun 88

[Text] Managua, 8 Jun (ACAN-EFE)—Today Nicaraguan Resistance leaders announced that the Nicaraguan Government has denied that organization permission to meet with the 14 opposition political parties and with the Higher Council of Private Enterprise.

According to political sources, Sandinist authorities denied the leaders of the "contra" Directorate permission to visit representatives from the "bloc of 14," claiming to protect what they described as the rebels' "safety."

Government Arrests 15 Opposition Leaders

PA0806192888 *Paris AFP in Spanish* 1840 GMT
8 Jun 88

[Text] Managua, 8 Jun (AFP)—Today the Sandinist police arrested 15 leaders of the Nicaraguan civic opposition as they were heading to the Nicaraguan National Assembly (congress) to request the repeal of the law regulating the media, a law they describe as unconstitutional.

The arrest took place, when, accompanied by approximately 50 militants and followers of the seven opposition parties, the opposition leaders were walking along a Managua avenue toward the Assembly. The police intercepted them and alleged that they had no authorization to conduct the march.

The arrested leaders include: Erick Ramirez, president of the Social Christian Party and member of the National Reconciliation Commission; Hernaldo Zuniga, leader of the Democratic Conservative Party; Alejandro Solorzano, Socialist Party leader; and Rodolfo Robelo, leader of the Independent Liberal Party.

Jose Ramon Garcia, a leader of the Social Democratic Party, said that this police action shows the Sandinist government is not promoting a suitable atmosphere for the national dialogue or for the negotiation with the contras.

The police tried to prevent photographers and press cameramen from covering the opposition leaders' arrest.

Released 8 June

PA0906022788 *Panama City ACAN in Spanish*
0142 GMT 9 Jun 88

[Excerpts] Managua, 8 Jun (ACAN-EFE)—Today the Nicaraguan Government released 15 leaders of the 14 opposition parties, who were detained this morning when they attempted to march to congress to demand the abolition of the media communications law.

Government spokesman Manuel Espinoza Henriquez explained that the opposition leaders were detained because they had not requested permission to hold the demonstration as required by the law. [passage omitted]

This bloc of opposition parties, together with the directors of radio newscasts aired on private stations, recently formed a committee for the defense of freedom of the press.

The committee emerged just days after the government banned 10 broadcasts of two newscasts aired on private radio stations because the newscasts had carried statements by former Somozist Colonel Enrique Bermudez in which he contradicted a government report. [passage omitted]

CDN Urges Government To Sign Peace Agreement
PA0706184788 Panama City ACAN in Spanish
2012 GMT 7 Jun 88

[Text] Managua, 6 Jun (ACAN-EFE)—Today the opposition Nicaraguan Democratic Coordinating Board (CDN) demanded that the government dismantle the Army "to levels appropriate to the economic crisis" and protested the "repressive climate" against political and labor union opposition.

The leaders of this ultra-conservative alliance issued a communique to the media expressing their opposition to the upcoming meeting between the government and the Nicaraguan Resistance scheduled for tomorrow in Managua.

The CDN, which is comprised of four political parties, two labor unions, and part of the private sector, urged the Sandinists to sign a peace agreement that would include disarmament "to a level suitable to the economic crisis and in accordance with neighboring countries."

The opposition groups also demanded that the RN try to reach an agreement to bring peace to Nicaragua, a country where 50,000 people have been killed in a 7-year war.

The CDN, the most anti-Sandinist group in Nicaraguan politics, also charged the Nicaraguan Government with violating the Esquipulas and Sapoa agreements and with unleashing a campaign against the opposition.

CDN President Carlos Huembes reported that 52 labor leaders from the Social-Democratic Confederation for Trade Union Unity (CUS) were arrested by the government. Huembes did not mention the reasons for the arrest.

Huembes also criticized the government for arresting Mario Alegria Castillo, director of the Higher Council for Private Enterprise [COSEP] economic research center, who was charged by the Sandinists with being a CIA agent.

The authorities arrested Alegria last week and charged him with possessing secret state information and with passing information and documents to the CIA.

CDN political leader Adan Fletes said Alegria's arrest "endangers the scientific motivations of economists."

Fletes added that political parties and labor unions receive from the COSEP economic research center directed by Alegria "very valuable information to understand the country's economic situation more realistically."

The opposition members also protested the temporary suspension of two private newscasts ("Iglesia" and "Seis en Punto") sanctioned by the government for broadcasting unconfirmed news.

According to the authorities, those newscasts broadcast some statements by rebel leader Enrique Bermudez denying the defection of a rebel leader from the rebel forces, as the government had reported.

A few days ago the Army presented rebel leader Felix Hernandez Garcia (Alfa Lima) to the media, who on that occasion said he had defected from the "contras" because he was "tired of the war and the corruption prevailing in the organization."

Textile Workers Unhappy With Ortega Meeting
PA0706153488 Managua Radio Sandino in Spanish
1200 GMT 7 Jun 88

[Text] Trade union leaders of the Textiles de Nicaragua, S.A., company, Tecnicsa, said that the workers' basic problems were not raised at the "Face the People" meeting held on Sunday at the Sandinist Central Organization of Workers [CST].

Tecnicsa trade union leader Jorge Silva Navarrete criticized the issues brought up by company directors during the "Face the People" meeting held with President Daniel Ortega Saavedra at the CST on Sunday.

The secretary general of the Tecnicsa trade union said that this meeting did not bring about a detailed discussion of the general problems of workers and their effects on production plans. He also said that the suspension of the payment of incentives was not raised, which accounts for why almost 200 workers left their jobs at Tecnicsa in May, seeking other opportunities.

Panama

Solis Palma Comments on Overcoming Crisis
PA0806191588 Panama City Domestic Service
in Spanish 1719 GMT 8 Jun 88

[Speech by Manuel Solis Palma, minister in charge of the Presidency, at meeting in Chitre, Herrera Province—live]

[Excerpts] Mr Comptroller General; honorable legislators, Electoral Tribunal President Yolanda Pulice de Rodriguez; Electoral Tribunal Member Luis Chen; directors of decentralized institutions; Herrera Province Governor Victor Aparicio Rivera; Major Marxio Herazo, chief of the Herrera Military Zone; honorable mayors; Ovidio Gonzalez, president of the Provincial Council; honorable corregimiento representatives; honorable members of the technical board; honorable members of the community boards; Dr Franklin Corro, representative of producers; representatives of the cattlemen; special guests, ladies and gentlemen:

First of all, affectionate and fraternal greetings to our fellow countrymen from Herrera and the Azuero Peninsula. I must state that I was quite nervous about Corro's speech. [laughter] It was not because of the importance

and depth of its content, which was extremely interesting, but because it would seem that we have not clearly explained the objective of this meeting. First of all, the objective is to brief you on our current situation. That is the reason why the planning minister spoke so that we can see that we are confronting and experiencing a situation that is totally different from the one we experienced before 25 February. It is totally different and therefore demands an approach that is different from our usual one. That is why I was concerned about the speech because we are falling into the same type of attitude: that we need highways, roads, schools, this or that. We need everything in this country. We had practically nothing and what little we had was taken away or lost, and we now have to begin to build a new country. A new country is built with a new mentality, with a new approach, with a new orientation. This is the fundamental difference now. I am not criticizing Corro. It is a criticism of those of us who were unable to explain the reason why we came here.

The objective was to brief you on the reality and to gather your opinions of the reality but not to repeat what has always been repeated. This is like a father who tells his son that he has been fired from his job, his savings are gone, and he does not have anything. When the father asks the son what he can do for him, the son tells him: I want shoes and clothes and I want to go to parties and other places. But the father says: No, I am telling you that I do not have a job or money. What I want you to do is to sit down with me to see how we can resolve your minimum food, clothing, and shoe needs until I can get a job and overcome my situation. What I want is for us to sit down together to see what we can do.

This is the reason we have come here, so that together we can see what I have and what you have, what I can give you, what you can give me, and we can see how can we get out of the hole in which they have put us. I cannot give you shoes or clothing or send you to parties or discotheques. That is over; I cannot do it.

That is the [situation in the] country today. The problem is to see how we can do it together, thinking up new things, all of us making sacrifices, and then we can focus on the new country so that in 1, 2, 5, 10 months—I do not know how many—we can then say we have finally achieved victory. We will then be changing our approach. This meeting should result in the creation of—and I want the planning minister to see to this—a commission comprised of Corro, a MIDA [Agricultural Development Ministry] official, and officials of other institutions to gather all these opinions and to present the approaches, the proposals, the solutions we should carry out so that from a provincial, district, and corregimiento plan we can draw up an emergency plan, a plan of specific urgent need for the Republic. It would be an action plan. It would not be a planning program or a development plan. It would be an action plan to overcome the crisis. That is what we need now. We can leave

the planning and the dreams of the future for later. Right now we have to overcome the current crisis. That is the fundamental problem, and we want to hear your opinion about it. [passage omitted]

Let us see how this crisis developed, how it began. On 26 February Panama was totally isolated from the world. Except for 3 countries, the other countries turned their backs on us at that time. Not a single one did not do so, or at least they did not look us in the face. If they did not turn their backs on us, they turned sideways. But at that time there was no help, not even moral support from Panama's closest friends. That was the situation on 26 February.

And the most brutal aggression ever suffered by any country in the history of humanity began. I do not know ancient history, but in modern and contemporary history that is true. Our communication channels were cut. Our currency was cut off. We were kept from receiving dollars, which we have been using for more than 100 years, because this dates back to even before the birth of the Republic on 3 November 1903. And we experienced external and internal aggression. And that external and internal aggression caused many problems, in addition to the dollars that were not in circulation, and in addition to the freezing of National Bank funds.

That is why we cannot pay the representatives what the law specifies. I wish we could, but let us see why we cannot. Let us see why the legislators are not paid either, why the government officials and president are not paid a lot of things, and why the ministers are not paid either. Why? Perhaps it is because the comptroller is an evil man, who must be from Chitre or Herrera. No. It is because there is no money with which to pay. It is simply that; because we have been overcoming situations.

How did we begin to emerge from the situation, when we knew that we would not be able to give the government employees their pay for 2 weeks? We are talking about the end of February. And we knew that we could not pay for the 2 weeks because the National Bank assets had been frozen in the United States and it could no longer develop as it had been doing. It could not engage in the transactions that it had been engaged in. And it had a few million there with which to pay the retired workers. They became seditious that day, burning tires and doing away with the city. [laughter] They were encouraged by some men who carry green stars [reference to the symbol of the Christian Democratic Party]. There were 18-year-old retired youths causing disturbances in the streets. And we had to withdraw the 7 million to resolve the situation rather than have to go out and shoot people in the streets, much less poor old people who were inspired by people without any sense of patriotism or nationalism. [passage omitted]

We are not going to depend on the National Bank, because we have already taken enough from the bank. Furthermore, the National Bank must operate independently, and the government has to pay with its own resources, not resort to the National Bank reserves,

because doing so would deplete that institution's resources. We might even cause its bankruptcy, and that would really leave us in a difficult position. We cannot resort to the Savings Board either. We must first let it recover, and we will see how we can pay our debts with our own resources.

We must bear in mind other issues, however. The country had to spend \$47 million in the central sector and a similar amount in the other sector, meaning the decentralized agencies. One may ask: What is the greatest expense? It is the personnel sector, meaning the payroll. Then the question is: Is everyone working in the administration doing his job? Is it justifiable to pay a working employee with a check and then tell him: Take your check, but you have to figure out how to cash it? At the same time his neighbor may receive a similar check and not care because he has done nothing: The check is a reward for doing nothing.

That is why we must get rid of the sinecures. It is a national need right now. [applause] I am sorry that someone has to be dismissed, but I care about the Republic, my country, even more. I respect the employees' associations very much. How could I not? They must understand, however, that they cannot insist on keeping people who never show up to work and simply send for their checks. We cannot allow this situation in the country anymore! [applause]

This is not only a moral issue; it also entails the Panamanian Government's recovery and the Republic's recovery. How can one person have three or four jobs while we sacrifice others? This cannot be. If we order cuts in personnel, we do not mean people who work. That is why I do not agree with the statements that mass dismissals have taken place. No! The people have seen that we only fire those who do not work, who have committed a crime, who have two or three jobs, or who have retired with a large pension but continue to work.

Let me refer to those people who sabotage their office. We are not dismissing people because they speak badly about General Noriega or myself, since that is not important. The fact is that when they speak badly about us, they are sabotaging their work. It is all part of a conspiracy against the very essence of the Panamanian people's nationalism. That is the main issue, gentlemen. [applause]

I was told yesterday that 52 people were dismissed at the Finance and Treasury Ministry. I said: That is only a few. [laughter] I was told: Friends were dismissed and this and that. I do not care about that. I called the minister and asked him: Did the 52 you dismissed ever work? He said: No. The 52 have files, and we can prove that their functions were nonexistent. I answered: Publish the list and put the reasons for their dismissal beside their names. This way the people will know the truth and will stop talking and protesting about this decision. If you dismissed someone for an unjust

reason, you must return his job. But if the dismissal is not unjust, then he will not return to work, and let them organize a strike if they want to. Gentlemen, we are no longer afraid of fear itself.

In the past we received more than \$1 billion in state revenues, meaning our own revenues, and do you remember what the problem was? We could not resolve certain problems because we needed so many millions for the payroll and some many more for expenses. If we pay... [changes thought] If we set aside so many millions to pay the foreign debt interest and principal, we would be left with a deficit. We cannot do it. If we did not have to pay the foreign debt interest and principal, however, then we would have enough for the government's payroll, operational expenses, and certain investments.

We cannot do that, however, because if we stop paying the foreign debt interest, we will be hanged. We have already been hanged and we cannot pay the interest, yet we are still alive. We are the only hanged people alive in the world. [applause] Anyway, we were afraid that we would be hanged, yet we have already been hanged. So what? Why do we have to be afraid now? We are no longer afraid of fear itself. That is an advantage.

You will lose a strike if you are afraid of a strike, but if you are unafraid, nothing will happen. The stores remained closed for 30 days and nothing happened; the banks remained closed for 60 days and nothing happened. Let them declare a strike. If they insist on that foolish attitude, they will be fired and new people will be hired. That is not a problem! That is not a problem! [repeats himself] [applause] We can continue like that. However, we cannot allow an injustice; we cannot fire an employee who works hard and leave one who does not work hard at a job. We cannot possibly do that. We cannot remove those who work hard and who are able workers.

It does not matter if they are members of a different party; if he proves that he works hard for his country, he has every right to remain in that job. This is not a party matter; that is not the problem. We only punish those who do not work hard for their country, even if they are UNADE [National Democratic Unity] party members. That is not the issue. Even if they are recommended by a legislator, a community representative, a minister, or the president—if they do not work hard, they must leave. That is the problem.

We are struggling for the country's survival and the Republic's development. That is the new, the different situation, so we must be fully aware of that reality; we cannot do otherwise. Although expenditures are greater than revenues, we can say at this time that the situation has been improving. Business has been improving. As business improves, resources will increase. Businesses will have to import because they are running out of merchandise. As businesses import more, they will have to pay import taxes. Of course, businesses should not import products we produce here.

However, businesses will have to import goods; until now they have avoided importing products. On Saturday and Sunday, on Panama City's Central Avenue, there were so many people out shopping that it looked like a carnival. Stores are already full of people, and not only stores selling school supplies. No, no; business is booming at luxury furniture stores. Refrigerators, stoves, and other similar items are being sold. Where are Panamanians getting the money? I will not investigate that, but it is good that they have obtained it. [laughter]

There is already a mobilization. The agricultural sector has improved. There are many problems; enormous problems. Mr Corro listed them previously. I was told—if I have been told the truth [laughter]—that the agricultural sector has started the first rice plantings. I was told that 25,000 hectares are now cultivated and that banks such as the Banco Exterior, the National Bank itself, and so on used to provide financial assistance. Nobody helped this year. In April, we did not even have one cultivated or prepared hectare. According to a report from Darinel [Espino, agricultural minister]—and I believe him for the time being [laughter]—we have already cultivated 8,000 or 9,000 hectares, and the rest are ready to cultivate for a grand total of 25,000 hectares. It seems as if he is facing problems in getting enough seeds, but I hope that he will resolve those problems soon. It seems that we will be able to resolve the cultivation problem without the banks' help. This is one of the government's achievements.

Industry has resumed operations. I think that we will face a different situation in the coming months. SELA countries have begun to help us effectively. This help took a long time to arrive because, for them, 2 or 3 months is nothing, whereas for us who suffer, it is a long time. However, help has started to arrive. We have received more than \$3 million in gifts; \$15 million has already been approved, and we are still making efforts with other countries that have promised to give a lot more in the area of agricultural assistance. Those are the main things.

Last week we received help, donations from abroad. We received a million school notebooks. The government could not give away notebooks for a long time; now it has a lot of notebooks to give away. The government has 1 million notebooks in its storerooms. It has 500,000 pencils and over 200 gross of chalk. Schools will have no problems with chalk supplies. Ovidio [not further identified] will be in bad shape, because he will have closed his factory, but that does not matter. [laughter] However, we will have chalk. [passage omitted]

Italy has offered to help. They look serious; they all look serious. [laughter] They assured us that they will help us with roads and building construction. There are other offers. If this is true, the Housing Ministry will have work; it will not have to fire very many people. That ministry claims that payroll allotments have stayed the same, and they have not

even nailed a board in the past 20 months. [laughter] However, we are heading that way; we are heading that way. [repeats himself] [laughter, applause]

Help will come, and we will notice that the situation will change somewhat. The MOP [Public Works Ministry] will start receiving something and will be able to use people there to fill some holes with asphalt; it has more than enough workers and the machinery is idle. We lack asphalt and other things. However, we will see how we can resolve this problem by removing those who do nothing. [laughter] This is a problem on which we must focus.

Gentlemen, I believe that we have a different view with regard to the future. It involves working with cooperation and coordination. The public sector must be viewed as one entity, not as a conglomeration of decentralized and centralized sectors. For example, the Bayano Cement Co. might have cement that the MOP needs, but Bayano will have nothing to do with the MOP because it is decentralized and the MOP is not. No, no, no! There is only one public sector. We will seek the resources. Those who have them should give them to those in need. If one has an empty warehouse and a small business needs it—it does not matter who owns it—if the warehouse is empty and some group needs it, they should be able to use it. We must consolidate efforts. We notice that officials submit great reports. Yet in planning and at the central level, we lack information to make plans. How does that happen? Did none of those reports circulate? [passage omitted]

Sometimes, one has extra machinery or equipment and someone else needs it. However, there is no way to pass on that machinery or equipment. One person needs employees and yet another one has too many. It is difficult to establish coherent relations within a public administration. Sometimes there are directorates with few employees, but then there are others with too many of them doing nothing. [laughter]

Let us reduce the number of employees where there are too many. We cannot have an agricultural engineer at the Public Works Ministry. I do not know what agricultural studies he can conduct in that ministry. Some have tried to explain that to me. They claim that there they study cashew fruits, or who knows what. [laughter] I do not understand what that has to do with highways. I still do not understand it. [laughter] [passage omitted]

What is missing is the decision to act. If all of us decide to do something, we do. The MIDA minister has been harshly criticized for banning the importation of dairy products. People in Panama City used to eating Gruyere cheese and the like are angry. They criticize the MIDA minister. But when he speaks with cattlemen, he is also harshly criticized. So, the poor man does not know where he stands. The least he could expect when he speaks with cattlemen is for them to receive him with words of encouragement. Let him be criticized by the radio and television in Panama City. He should, however, receive support from those he is protecting. We must begin to

support him in the very difficult, direct struggle we are waging. I reiterate, Panama's destiny is at stake in this struggle. I am completely certain, and I reiterate, that with a people like ours, with the ability they have shown, with the nationalism they have felt, and with a vision of the future that I am sure they know how to fulfill, we need a government equal to the Panamanian people. That is our challenge. That is the challenge of the delegations that are here. That is the challenge of all Panamanians. We have a responsibility to each of you.

That is why we came. We came to bring our voice, our truth, and our hope. I really hope Panama's future will be as we see it. Let us move forward with the dignity and decorum the Panamanian fatherland deserves and needs. Thank you. [applause]

Foreign Minister Discusses U.S. 'Campaign'
PA0806234188 Panama City Domestic Service
in Spanish 1255 GMT 8 Jun 88

[Speech by Foreign Minister Jorge Ritter at the UN Conference on Disarmament at the United Nations; date not given—recorded]

[Excerpt] [Passage omitted] Mr President, this session cannot ignore the outrageous campaign of aggression unleashed by the U.S. Government against Panama in an unprecedented display of economic pressure and military arrogance, generated by the limitless desire for hegemony that inspires Washington's policy against my country, clearly ignoring reason and international laws.

These sinister objectives have been clearly proven with the publication of a document classified as secret, dated 8 April 1986, in which the U.S. NSC established, with an outrageous indifference, the steps to follow to attain the annulment of the Panama Canal treaties, maintain control of the canal beyond the year 2000, and assure that the security of the canal will remain in the hands of the United States.

Referring to its policy toward Panama, and regarding the treaties, the document points out the following, among other things.

I quote from the document:

1. We [the United States] are in need of a policy aimed at guaranteeing our control over the Panama Canal way beyond the year 2000. Reports on corruption among high-ranking FDP [Panama Defense Forces] officers will enable us to unleash a campaign to destabilize Panama and legally abrogate the treaties.

2. Our objective is to destabilize the country without risking our presence and influence there, while, at the same time, having a legal basis for abrogating the treaties.

3. We should continue to participate in the trilateral feasibility studies with Panama and Japan. It would be convenient to encourage Japan's technical participation,

without allowing Japan to control the project. We should prevent the participation of West Europe and Latin America in this project. The projects should clearly specify that the United States will continue to be in charge of security and that Panama should not have any hopes of individual jurisdiction.

4. We should follow up on this plan with psychological campaigns aimed at convincing the U.S. and Panamanian people that the Soviets are analyzing the possibility of building an interoceanic waterway through Nicaragua. This would hinder bilateral relations between Panama and Nicaragua and would discredit the Sandinist in the Western Hemisphere.

Mr President, deeply convinced as we are that the current aggression against my country responds to purposes belonging to colonial times, we have come to this forum to renew the Panamanian people's pacifistic position. Although Panama has little territory and its economic and military sectors are weak, Panama is unquestionably a nation with dignity and a fighting spirit. The military and economic deficiencies are compensated for by the support, friendship, cooperation, and solidarity we have received from all nations in the world.

Ten years after the signing of the treaties, and 10 years after the Panama Canal treaties were ratified—this year is the 10th anniversary of these events—the U.S. Government has reassessed its strategic-military interest in Panama and has redirected its policy, from this moment on, to secure the presence of its military bases and troops in Panama beyond the year 2000. However, the main obstacles for achieving this goal are the provisions established in the Torrijos-Carter Treaties and the determination of the Panamanian people, government, and military, who demand strict compliance with the treaties.

The setbacks we are facing now are characteristic of our history. However, our history also shows that when there is political determination, the biggest international conflicts and the fundamental national claims can be peacefully resolved.

The international community, which benefits the most from the efficient, neutral, and peaceful operation of the canal, should be as interested as we are in the faithful compliance by the two parties of the treaties regulating the operation of the canal. This would be an effective contribution to the lessening of tension and to peace and disarmament.

The Latin American community and other nations that significantly contributed to the peaceful implementation of the treaties should still support us with their solidarity so the treaties will always be fulfilled harmoniously, respectfully, and efficiently.

Mr President, at the beginning of my speech I mentioned the need for world leaders to carefully think about the need for a joint effort for disarmament. Now, I would like to add that in this process it is necessary for

countries with huge armies and powerful economies to begin to realize that their national security and interests are not threatened by the independence and sovereignty of other nations. For example, the Panamanians desire for independence and sovereignty has never been a danger to the U.S. people and has never represented a threat to the United States.

It is also necessary that powerful nations begin to see—within the international framework—how their people's prospects will benefit if they replace the hegemony of the forces of war and battle with the hegemony of the forces of friendship and harmonious cooperation.

When a nation like Panama is able to show and enjoy its sovereignty and independence and live in friendship with all nations of the world without endangering any other nation, and when Panamanian people can expect compliance with international treaties—with confidence in the importance of the validity of the international legal order and without becoming the target of any destructive or dominating strategy—then we will [know] we have made accomplishments to attain the noble purposes that inspired those who founded this organization, and only then will we have helped the powerful to identify the path of disarmament and peace.

Thank you very much, Mr President.

Retirement of Military, Police Officers

PA0906000288 Panama City Telemetro Television in Spanish 2336 GMT 8 Jun 88

[Text] This afternoon the Information and Public Relations Directorate of the Panama Defense Forces [FDP] announced that Lieutenant Colonel Lorenzo Purcell of the Command's Adjutant Office was retired by the state effective today. It was also announced that Captain Gregorio Olaya of the Police Force and Lieutenant Gabriel Ospino Bernal of the 7th Military Zone have been retired.

Strategic Military Council Briefs Officers

PA0806190188 Panama City CRITICA in Spanish 8 Jun 88 p 1

[Text] Yesterday members of the Panama Defense Forces recently-created Strategic Military Council [CEM], which provides advice on national security matters, held a briefing on the CEM operation and organization to middle-level commands and officers of the 1st and 2d military regions composed of units from the Kuna Yala region, Colon, Panama City, western Panama [Province], and Darien.

The briefing was headed by Lieutenant Colonel Aristides Hassan and Majors Pascual Gonzalez, Daniel Delgado, and Armando Palacios Gondola. These briefings will include other military zones. Reportedly 180 officers

from the aforementioned regions participated in the meeting. The closed-doors meeting was held at the conference room of the National Directorate of Land Traffic and Transportation.

U.S. Consultations in L.A. 'Offensive'

PA0806162188 Panama City CRITICA in Spanish 8 Jun 88 p 4

[Editorial: "Offensive and Anti-Panamanian Consultations"; passage in uppercase as published]

[Text] News that top State Department [preceding two words in English] officials, headed by Panama's arch-enemy Mr Elliott Abrams, have begun "consultations in other countries of Indian-black America to 'resolve' the Panamanian crisis is the height of continental shamelessness. An illustrious son of Ecuador, who serves as its foreign minister, correctly stated that "a simple attempt to hold consultations shows disrespect toward the consulted nation or government and meddles in the sovereign private affairs of the nation or government that is the subject of those dreary consultations." [quotation marks as published]

The Ecuadoran foreign minister's position, with some variations, is the same as that of a majority of respectable and responsible foreign ministers of America. They know that the principles of national dignity, self-determination, and respect for sovereignty and national pride are not empty or old-fashioned words, but living matter in the bosom of our fatherlands. Perhaps in their arrogance Abrams and his despised followers view the world as a game of dominoes or "Chinese checkers" [preceding two words in English], but that does not oblige we Americans south of the Rio Grande to tolerate such an anachronistic and imperialistic viewpoint, which is highly offensive.

The offensive and anti-Panamanian consultations reflect absolute ignorance of the collective soul of our peoples and governments. Those consultations, should they take place, would show that Abrams and his gang, using the name of or with the tolerant complicity of President Reagan, have learned nothing about the valiant struggle of our peoples since the last century to achieve a position of equality and respect in the annals of modern humanity.

We hope those consultations will simply remain as plans. Panama, its government, and people should not be subjected to aggressive and disrespectful consultations. We are not a slice of bacon for sale; we are not one-fourth of a bloody cow hanging from a hook; we are not a lot of merchandise on sale. WE ARE A FREE FATHERLAND AND ARE WILLING TO MAINTAIN OUR FREEDOM WITH ALL DRIVE, NERVE, AND BALLS [TODO IMPULSO, NERVIO, Y ESCROTO].

'Mass Dismissals' From Government Jobs Begin
PA0806181088 Panama City Circuito RPC Television
in Spanish 2300 GMT 7 Jun 88

[Passages within quotations marks recorded]

[Text] Mass dismissals have begun at different government agencies.

[Osvaldo de la Guardia, Finance and Treasury Ministry Employees' Association] "Yesterday a group of employees received dismissal notices. This morning we got a copy of the decree ordering their dismissal, so we know that 51 employees will be dismissed. The only reason given for their dismissal is that their jobs were abolished. We thought that this situation had been overcome by Decree 116 on the public employees' stability and by our own internal regulations. Therefore, the measure violates our current internal and organization laws. Furthermore, the list includes three colleagues who are pregnant. They are expecting a baby but no one has respected their maternity rights."

[Maximo Gomez, National Federation of Public Employees Associations] "We understand that the same will be done at the Social Security Board and National Bank. Our federation opposes this measure."

Furthermore, Osvaldo de la Guardia said that 100 employees have been dismissed from that agency. However, Manuel Solis Palma, minister in charge of the Presidency, referred to the topic a few weeks ago.

[Solis] "We are trying to reorganize the administration; that is all. There will be no mass dismissals because we do not believe in that measure."

[Reporter] "When will the reorganization take place?"

[Solis] "We are working on a daily basis."

[Reporter] "How many employees does this involve?"

[Solis] "There is no reason for all this. We are simply reviewing the administration's structure. That is all."

Unemployment Result of 'Economic Deterioration'
PA0906021188 Panama City ACAN in Spanish
1642 GMT 8 Jun 88

[Excerpts] Panama City, 8 Jun (ACAN-EFE)—Panama's year-long crisis has resulted in growing economic deterioration, its principal manifestation being a sharp rise in unemployment.

Today acting Labor Minister Victor Collado told ACAN-EFE that 169 "voluntary resignations" and 786 job termination requests by "mutual agreement" between businessmen and employees have been registered over the past quarter.

Collado added that 2,250 dismissals without prior notification occurred in March, April, and May.

He pointed out that an average of 12,000 workers have been affected by leave without pay, suspensions, a shortened workday, and a moratorium on wage payments. [passage omitted]

The official said that the 17-percent unemployment rate calculated by Labor Ministry authorities for the 1st year of the crisis may be higher in this last quarter. [passage omitted]

Collado added that 45 companies were seized during the 1st half of 1988, a figure surpassing the total of 35 seized in 1987. [passage omitted]

Public employees have also begun to feel the ill effects of the economic crisis as government offices have begun to dismiss employees. These dismissals have been termed "unfair" by those affected.

Today a government source confirmed to ACAN-EFE that each office submitted to the Comptroller General's Office a list of employees who are to be given notice of their dismissals beginning at the end of June. However, dismissals began on Tuesday in the Finance Ministry, where 52 people lost their jobs without any explanation. ACAN-EFE also obtained access to a document prepared by the Planning and Economic Policy Ministry (MIPPE), in which a loss of 82,000 jobs is predicted for 1988 if the crisis is resolved in June.

If the crisis is not resolved this month, then unemployment will rise to 18.4 percent of the economically active population, amounting to a total of some 100,000 newly unemployed. [passage omitted]

The document also estimates that the poor, which made up 36.6 percent of the total population before the crisis, will increase to 40 percent, or approximately 800,000 people, by the end of 1988.

Panama suffered economic damage amounting to \$161.1 million in 1987, while this year it is estimated that losses will reach between \$1,223,200,000 and \$1,479,800,000.

The document states that "actual growth for 1988 is estimated to oscillate between negative 15.1 and negative 20.1 percent."

The MIPPE document reports that if the current crisis had not occurred, the growth rate for 1988 would have reached 4.3 percent, and, in 1987, it would have been 6 percent (whereas it was actually 2.9 percent). [passage omitted]

Commerce and Industries Minister Mario Rognoni explained that alternate markets are being sought for Panamanian products and that this will be done through a

bartering system with socialist bloc countries such as Romania, Poland, and Czechoslovakia, with an exchange of agricultural products and basic grains for medicine, machinery, and fertilizers, among other things.

Rognoni said that this does not mean a leftist turn in the country's policy and that "the Panamanian businessman is not afraid of socialist countries."

Industrialists File Suit To Recover Offices

PA0806164888 Panama City Telemetro Television in Spanish 2300 GMT 7 Jun 88

[Text] In a new offensive to recover the headquarters of the Association of Panamanian Industrialists [SIP], today Panamanian businessmen filed a lawsuit at the Supreme Court after exhausting a series of legal recourses at the Attorney General's Office. SIP President Carlos Valencia disclosed that the writ of amparo was filed against Lieutenant Colonel Guillermo Wong, G-2 chief of the Panama Defense Forces [FDP]. The businessmen argue that the SIP facilities were closed by the authorities on the basis of a verbal order and that no written order was issued by the high-ranking Panamanian officer. According to the industrialists, the action is illegal and arbitrary. They have been denied access to the SIP headquarters since those facilities were raided by FDP units on 25 April. SIP President Valencia reiterated the industrialists will continue defending the legitimate rights of the industrial community and he called for real democracy in Panama

[Begin Valencia recording] We hope that the national government will return to us the headquarters that was improperly and illegally occupied a month and a half ago. This is affecting our organization's activities. This is an obviously illegal action that is not characteristic of a country in which laws are in effect and in which there is a civilized coexistence. We have not participated nor will we participate in the future, with or without headquarters, in partisan political activities. Nevertheless, we, like many organized groups of private enterprise and of professionals, demand that there be justice in this country, that there be respect for individual guarantees and collective rights, that there be freedom in this country, that there be real democracy in the country, and that there be genuine, decent public institutions. That is what we desire. That is what we will continue to request because it is essential for the good development of private enterprise and economic activity in general in the country and because in addition to being industrialists and businessmen, we are Panamanians, above all. [end recording]

TANA Prepares To Put U.S. on Trial in Panama

PA0806030888 Panama City Domestic Service in Spanish 1730 GMT 7 Jun 88

[Statement by Moravia Ochoa, secretary general of the Panama chapter of the Anti-Imperialist Tribunal of Our America (TANA); date not given—recorded]

[Text] We would like to report that Dr Guillermo Toriello [international president of TANA] is Guatemalan. He has been described as the foreign minister of

dignity because of his position against imperialism, which, in 1954, took the form of an invasion and aggression against Jacobo Arbenz' government in Guatemala. Comrade Toriello's background is a guarantee of TANA's prestige and propriety.

We in the Panama chapter, together with the rest of TANA, which has 31 affiliates throughout the continent, are going to meet in this country from 28 to 30 June. An international delegation will arrive on the afternoon of 27 June to do its part of the enormous amount of work that lies ahead for TANA.

Why is TANA's leadership, headed by Comrade Toriello, coming to Panama? It is coming to join the Panamanian people in bringing the imperialist U.S. Government to trial for the crimes it has committed against Panama.

In addition, TANA, through its international president, will visit General Omar Torrijos' tomb and confer upon Gen Torrijos, through the Panama Defense Forces, a posthumous award for his anti-imperialist struggle. This decoration will be presented to General Manuel Antonio Noriega, as trustee, in recognition of Gen Noriega's firm and patriotic stance toward the aggressive threats and slander that have been part of the infamous actions of imperialism, of the U.S. Government, against Panama.

Therefore, important events are going to take place; namely, the trial of the imperialist U.S. Government, the posthumous decoration bestowed upon Gen Omar Torrijos, the visit to the tomb, and the placing of a wreath. The trial itself is an important event, because it is not merely a mock trial, but a genuine judicial event. It is not merely a cultural event; it is an event of international significance in which the U.S. Government is going to be tried for the crimes it has committed against our country. We call on Panama's mass organizations and on prominent figures in the fields of law and criminology to join us as part of the working group in charge of organizing the U.S. Government's trial.

Briefs

Foreign Service Dismissals

Roger Manuel Alvarado Pitti, attache at the Panamanian Embassy in London; Nitzia Martin de Embiricos, honorary attache at the same embassy; Diana Alicia de Vergara, deputy Panamanian consul in London; and Hans Jacob Dallman, honorary consul in Glasgow, have been dismissed. The announcement was made in a decree dated 6 June, which was signed by Manuel Solis Palma, minister in charge of the Presidency, and Jose Maria Cabrera, acting foreign minister. [Excerpt] [PA0806172588 Panama City LA ESTRELLA DE PANAMA in Spanish 8 Jun 8 p 1-A]

Argentina

President Alfonsin Cancels Meetings Due to Flu
PY0806133688 Buenos Aires TELAM in Spanish
1125 GMT 8 Jun 88

[Text] Buenos Aires, 8 Jun (TELAM)—This morning it was reported that President Raul Alfonsin has cancelled the audiences had scheduled for today due to a slight attack of flu.

The chief of state will stay in the Olivos Residence, where, notwithstanding his illness, he will study some matters that have been submitted to him.

Further on Alfonsin Meeting With Soviet Envoy
PY0806120588 Buenos Aires TELAM in Spanish
1753 GMT 7 Jun 88

[Excerpts] Buenos Aires, 7 June (TELAM)—President Raul Alfonsin and roving Soviet Ambassador Vladimir Lomeyko have agreed on the need for humanity to put a halt to the arms race in order to ensure its survival and safeguard world peace. They also agreed on the need for having access to savings that will help resolve the problems caused to developing countries by the foreign debt, among other topics.

This is what Lomeyko, the special envoy of Soviet leader Mikhail Gorbachev, told journalists accredited to Government House. He spoke at the end of a meeting he held today with Alfonsin, who was informed about the results of the most recent summit held in Moscow between General Secretary Mikhail Gorbachev and U.S. President Ronald Reagan.

Lomeyko praised President Alfonsin, whom he described as one of the leaders of the six countries which have grouped to achieve world peace.

The Soviet envoy was referring to the Group of Six, which comprises Argentina, Greece, India, Mexico, Sweden, and Tanzania. Regarding the activities promoted by the Group of Six, Lomeyko said the USSR is willing to support specific initiatives on disarmament and world peace. [passage omitted]

During his meeting with the press, Lomeyko said that Soviet leaders believe the most important result of the Gorbachev-Reagan summit is the continuation of the dialogue between the two countries and the fact that it has become a permanent mechanism for the study of important world problems.

Lomeyko said the simple fact that the summit took place is in itself important. He asserted that during the summit there was not only an exchange of opinions about the overall disarmament issue but also about regional problems and issues pertaining to international relations.

Great Britain Planning New Military Maneuvers
PY0806122888 Buenos Aires TELAM in Spanish
1125 GMT 8 Jun 88

[Text] London, 8 Jun (TELAM-PL)—Less than 3 months since the last controversial war game to strengthen the British military forces on the Malvinas, the British Defense Ministry has acknowledged that it is preparing another large scale military maneuvers.

Moreover, and maybe because it is expecting a similar reaction to the "Fire Focus" [preceding two words in English] maneuvers, the ministry has indicated that the "Purple Venture" [preceding two words in English] maneuvers will not be as large as the previous one, because it will only involve officers, but without any real troop movements.

The maneuvers will begin on 14 June and will last for approximately 2 weeks. The British High Command up to now has refused to mention how many troops will participate in the maneuvers.

According to a report revealed by Adela Gooch, a London specialist in defense matters, these maneuvers have been named "Purple Venture" and will involve the three services.

Ascension Island, located in the South Atlantic, will be used as a base for these war games, and apparently they will be conducted to try out the procedures to establish a command base outside the area of operations.

The Defense Ministry has admitted that it is preparing the maneuvers and it adds that they are specially designed to prove the capabilities in areas where British forces are not normally deployed.

The British High Command will also put into operation a communications network between the command base on Ascension Island and its command posts located at Northwood, Salisbury, and High Wycombe, in Great Britain.

According to political observers in London, everything seems to indicate that with regard to the propaganda viewpoint, the war game is directed at an alleged British need to defend itself against invasion operations on the Malvinas.

Political observers have also indicated that the use of Ascension Island is a factor that strengthens the certainty that in the case of the unleashing of another conflict over the Malvinas, over which Argentina is claiming sovereignty, the United States will play a decisive role.

The "Fire Focus" war games unleashed strong protest, not only from Argentina but also from the majority of Latin American countries.

Ministry Studying Situation

PY0806143288 Buenos Aires NOTICIAS

ARGENTINAS in Spanish 1412 GMT 8 Jun 88

[Excerpt] Buenos Aires, 8 Jun (NA)—Today the Foreign Ministry is studying the situation that has been created by the planned British military maneuvers on the Malvinas Islands, which will be carried out as of 14 June. These maneuvers have been confirmed by the UK's Defense Ministry, according to a report disseminated by an international news agency. [passage omitted]

Government Declines Comment

PY0806191088 Buenos Aires NOTICIAS

ARGENTINAS in Spanish 1900 GMT Jun 88

[Excerpt] Buenos Aires, 8 Jun (NA)—Official sources have reported that the Argentine Government "will not make any comment" on the British military maneuvers that are to be carried out during the next few weeks on Ascension Island because "they have nothing to do with the Malvinas."

The sources that were consulted by NOTICIAS ARGENTINAS pointed out that the maneuvers, which have been called "Purple Venture" [preceding two words in English], have the Ascension Island as their epicenter [words indistinct] called "Fire Focus" [preceding two words in English] that were carried out in March 1988. [passage omitted]

CGT-Backed Socioeconomic Pact Signed

PY0806223688 Buenos Aires BUENOS AIRES

HERALD in English 8 Jun 88 p 11

[Text] (DYN-NA)—The socioeconomic transformation pact, which calls for a total moratorium on foreign debt payments and changes in taxation and foreign exchange policies, was signed by the Central Labour Confederation (CGT), opposition political party leaders and members of the National Business Board yesterday.

The CGT-inspired proposal, which is meant to open a debate between the government and opposition groups on current economic policies, expresses the necessity to review the future role of the state and its policies for growth.

The plan comes out in strong opposition to the government's privatization policies being carried out by Public Works Minister Rodolfo Terragno. As an alternative the proposal advocates the "elimination of restrictions imposed on Argentine sovereignty by transnational, conglomerate and speculative interests." The plan supports the idea of maintaining a strong centralized state.

The Director of the Argentine Agricultural League and member of the National Business Board, Humberto Volando, who also signed the pact, said "the plan opens the door to allow the country to develop freely and independently with its own personality and not just as a mere satellite of the major powers and the multinationals."

The proposal itself states that "faced with the incapacity of the government to deal with the crisis, the various signatories have taken it upon themselves to propose a socio-economic transformation pact. This plan is meant not only to surmount the problems weighing on the Argentine people but also to consolidate democracy with change and social justice."

Some of the points addressed in the draft are the following: Congress must play a strong role in foreign debt negotiations. Socio-economic planning should include government, worker and business representatives. The government should abandon policies that shrink and externalize the economy.

Privatization must be replaced by a policy in which each state company resolves its own financial problems to the maximum social benefit. The state must re-orient public expenditure, invest in infrastructure to promote growth as well as better health and living conditions.

The plan states that "a strong internal market constitutes an indispensable base for entry into international markets." At the same time the document states the need to maintain the current workforce and increase the number of jobs as the population grows.

A minimum salary in line with workers' needs must be assured and workers must have job security.

Among the signatories were Buenos Aires Peronist Deputy Eduardo Duhalde who represented his presidential running-mate La Rioja Governor Carlos Menem, Intransigents Oscar Alende and Miguel Monserrat, Christian Democrats Carlos, Auyero and Alberio Aramouni, Popular Socialists Estevez Boero and Ernesto Jaimovich, Popular Conservative Julio Amoedo, Volando, Buenos Aires Governor Antonio Cafiero and CGT Secretary-General Saul Ubaldini.

Crespo on Falklands War, Reequipment Plan

PY0906012888 Madrid EFE in Spanish 1741 GMT

7 Jun 88

[Text] Buenos Aires, 7 Jun (EFE)—General Ernesto Crespo, chief of the Argentina Air Force Staff, has stated that if the war over the Malvinas were to begin today, the outcome would be different because of the current level of training of Argentine pilots and the technical level of their aircraft.

During a long interview with the Argentine weekly EL OBSERVADOR, Crespo said: "If the war were to start today, things would be quite different, and Great Britain is aware of this."

According to Crespo, the main reason the Argentine Armed Forces were defeated by the United Kingdom was—aside from the satellite information that the United States supplied that country—"the supply of Sidewinder 9-L missiles, which tilted the war in Great Britain's favor."

Crespo said that the Argentina Armed Forces reequipment plan, which is supported by the United States, does not include the Air Force because "Great Britain is afraid of us. It knows that the Air Force poses a serious threat in the case of a new conflict."

Crespo referred to "the level of development attained since the Malvinas War, which is why the British restrictions on the United States are directed solely against our Air Force."

The Argentine Air Force commander revealed that Argentine aeronautical technicians have managed to "fully" repair a M-5 Mirage aircraft at a cost of \$350,000. This "would have cost about \$5 million" had it been repaired abroad.

According to Crespo, the degree of training of the Argentine technicians has attracted the attention of some countries, such as Spain, Venezuela, Colombia, and Ecuador, because of the results they obtained with the Mirage.

Crespo was chief of operations in the South Atlantic during Argentina's 74-day conflict with Great Britain in 1982 over the Malvinas Islands.

Crespo said that all the materiel the Argentine Air Force has is foreign, and "we could not have continued fighting had the supply of spare parts been cut."

He added that "the Air Force could have continued fighting another 6 months, another year, but we would have been fighting against Great Britain, the United States, and the EEC," and he admitted that, anyhow, "Great Britain would have won the war in the long run."

Crespo referred to the statement by John Lehman, former U.S. Navy secretary, who said that the United Kingdom won the war over the Malvinas "thanks to the U.S. support."

He said that, undoubtedly, "until 21 May, the United Kingdom was enduring the worst part of the war," but "during the war Lehman was at the State Department, so his political intentions in making this statement, taking into account that the president (Argentine President Raul Alfonsín) was in New York at the time, are quite obvious."

Regarding the international agreements reached by the Argentine Air Force, Crespo said: "the agreements with CASA [Aeronautical Manufacturers, Inc.], of Spain, Embraer [Brazilian Aeronautics Company], and Dornier, of the FRG, are going well.

He explained that "there is a chance of producing a medium-sized civilian transport plane with CASA. With Embraer we are quite far along on the construction of the DBA-123, a 19-seat airplane that will be flying before the end of 1989. We already have orders for 70 of these aircraft, although its prototype is not ready yet."

"With Dornier we have made considerable progress in negotiations for the sale of 50 Argentine-built IA-62 Pampa aircraft, for advanced training purposes," added Crespo.

He went on to say that the Pampa was tested last week by U.S. experts and pilots "and there is a chance of selling 580 of these units to the U.S. Air Force."

On Friday, 10 July, Argentina will celebrate "the day of assertion of its rights over the Malvinas Islands." This celebration almost coincides with the day Argentine troops surrendered in the archipelago, 13 June 1982.

Bolivia

ADN Senator Reports MIR-Medellin Cartel Links
PY0806035588 La Paz La Red Panamericana
in Spanish 0000 GMT 8 Jun 88

[Excerpt] According to a report made this afternoon in the Chamber of Deputies, MIR [Movement of the Revolutionary Left] President Jaime Paz Zamora and other MIR leaders are linked to people involved in international drug trafficking.

The report was made in a note sent by Senator Juan Luzio, an ADN [Nationalist Democratic Action] leader and member of the Senate Narcotics Committee. Senator Luzio also enclosed a document signed by an individual identified as Juan Alberto Martinez Altamirano and two photographs, showing Jaime Paz Zamora and other MIR leaders in the company of former military officer Isaac Chavarria Diez de Medina, who reportedly is linked to the Medellin Cartel.

The document claims that former Bolivian Vice President Jaime Paz Zamora, the national leader of the MIR-New Majority [MIR-Nueva Mayoria] faction, is closely linked to the international drug trafficking mafia.

The document adds that Paz Zamora's would be interior minister, Captain Isaac Chavarria Diez de Medina, is one of the main suppliers of the Medellin Cartel.

Chavarria financed part of the MIR campaign for municipal elections in December 1987. Chavarria's fleet of airplanes, which is at the MIR's service, transports drugs to Colombia and Panama.

The MIR leadership periodically participates in banquets hosted by drug traffickers at the Las Lomas cattle ranch.

These are some of the basic points contained in the report made in the Chamber of Deputies.

It is appropriate to add that the letter, signed by Mr Martinez Altamirano, and the photographs were shown to the deputies during their session and then to the press.

Jaime Paz, the MIR-New Majority faction leader, and the mentioned military officer can be seen in the photographs in a friendly attitude. MIR leader Oscar Eid and other MIR leaders can also be seen in the photographs in the company of the same military officer.

The report prompted the MIR congressmen to react immediately. MIR leader Gaston Encinas flatly denied the accusations, claiming that this was an ADN maneuver.

Later, MIR leader Oscar Eid appeared and said the ADN is promoting this type of report in order to get the MIR involved in the drug trafficking mafia.

Nonetheless, Oscar Eid then admitted that he knew Capt Chavarria Diez de Medina. Eid, however, said that his party did not know about Chavarria's involvement in drug trafficking activities until today. [passage omitted]

Further on 'Revelations'

PY0806190388 La Paz La Red Panamericana
in Spanish 1130 GMT 8 Jun 88

[Excerpts] There are new revelations regarding quote, narcopolitics, unquote. The revelations created surprise among the people yesterday.

All the public's attention is concentrated on the Constitution, Justice, and Judicial Police Committee of the Chamber of Deputies, which is investigating the case of the video cassette related to drug trafficking.

Former Captain Jaime Paredes, General Mario Vargas Salinas, Rodolfo Antelo, and (Roberto Suarez Lehre) were interrogated and confronted each other for about 4 hours.

(Suarez Lehre) has accused the DEA of manipulating the issue of drug trafficking in Bolivia. He said that the manipulation is accepted by many officials but it has no basis because of the corruption prevailing in the United States. He added that paramilitary groups are asking for cooperation from drug traffickers in Beni Department with the purpose of carrying out a coup. He said that efforts are being made to interrupt the democratic process, and that this should be prevented from happening. He denied that his father is a drug trafficker.

The contradictions over the objectives of the meeting between Arce Carpio and Suarez Gomez were reiterated again yesterday. Cap Jaime Paredes and Rodolfo Antelo, in a letter sent to Deputy Freddy Vargas, said that financing was requested so that ADN could win the 1985 presidential election. This statement is based on the comments made to them by Gen Mario Vargas Salinas.

The other group is made up of Vargas Salinas, (Roberto Suarez Lehre), Alfredo Arce Carpio, and others who said that on that occasion when they met they only discussed archeological issues.

The confrontation between them will continue this afternoon after the recess ordered yesterday by Oscar Montano, acting president of the committee.

The ADN deputies said that the testimony of Capt Jaime Paredes shows that he works closely with the DEA. But Paredes denied this charge. He said that all he did was to conduct cooperation tasks when he held important positions. He said that more evidence will be available when Freddy Vargas, president of the committee, returns. Vargas is seriously ill, but it is expected that he will be able to return to the investigation about the narco-politics in Bolivia in about 1 week.

Jaime Paz Zamora, chief of the MIR New Majority faction, and other MIR leaders are reportedly maintaining links with members of the international drug trafficking mafia according to charges made yesterday before the Chamber of Deputies.

The charges were made as a result of a note submitted by Senator Juan Luzio, ADN leader and member of the Senate Narcotics Committee. He attached to the note a document signed by a man who identified himself as Juan Alberto Martinez Altamirano, and two pictures which show Jaime Paz Zamora and other MIR leaders of the New Majority faction in the company of former military officer Isaac Chavarria Diez de Medina, who is reportedly linked to the Medellin Cartel. [passage omitted]

This accusation created an immediate reaction from MIR congressmen. Gaston Encinas categorically rejected the accusation. He said the accusation is an ADN maneuver.

MIR leader Oscar Eid said that the ADN in sponsoring this type of accusation to involve MIR with drug trafficking. However, Oscar Eid admitted that he knew Capt Chavarria but that his party was not aware of his links with drug trafficking. He said:

[Begin recording] [Eid] Everybody knows that Chavarria has a fleet of airplanes. He rents airplanes and in some of the tours we made in Santa Cruz we rented those airplanes. In other words, everything we did was absolutely legal. There is nothing criminal about this. There is no reason to even think about it. We are making this statement with the firmness and serenity which characterizes us. We are now making a formal and open denunciation that the ADN, in the face of its collapse, is trying to drag others with them. This is what I believe is happening. The ADN should concentrate on proving its innocence instead of trying to stain the honor of others.

[Reporter] Do you know Capt Chavarria?

[Eid] Yes, I know him.

[Reporter] How did you get to know him?

[Eid] I met him during the electoral campaign when we rented one of his airplanes for a tour. [end recording]

Oscar Eid said that MIR wants a thorough investigation by the congressional committee to clarify this accusation, which has been labeled false by his party.

ADN Rejects MIR Charges

PY0806192188 La Paz La Red Panamericana
in Spanish 1130 GMT 8 Jun 88

[Text] The Nationalist Democratic Action has expressed its concern over the serious charges made yesterday against MIR leaders of the New Majority faction, and former Captain Isaac Chavarria, who is accused of being a drug trafficker because of his links with the Medellin Cartel.

The concern was expressed by Guillermo Fortun Suarez, vice president of the ADN. He said that the Chamber of Deputies should start a thorough investigation about the charges. Fortun said that when the video cassette about drug traffickers was handed over by Captain Paredes, the ADN demanded a thorough investigation, and now the ADN will again proceed in the same manner. Asked about the MIR accusation that this is an ADN maneuver to discredit the party of Jaime Paz Zamora, Fortun Suarez said:

[Begin Fortun recording] I reject with indignation that accusation by the MIR. We would have liked to respond to that charge in Congress had they made it there. But now that you mention it we reject the accusation. [passage indistinct]

I would like to say something. Yesterday when my party asked for the separation of Deputy Freddy Vargas from the committee, the MIR members defended him, but they had the right to do so because Vargas is a MIR militant. Therefore, from that point of view they were right, and we did not want to do anything. We only want an investigation. [end recording]

Humboldt Vying for MNR Presidential Nomination

PY0706130488 La Paz La Red Panamericana
in Spanish 1130 GMT 7 Jun 88

[Text] Senator Ciro Humboldt Barrero has asserted that he will be presidential candidate for the MNR if nominated during the next party convention. He said he is interested in being his party's president of the Republic candidate, and that is why he asked to be nominated in the next party convention in August.

Senator Humboldt has met with President Victor Paz Estenssoro to report on the internal MNR reorganization process.

Brazil

Sarney Addresses UN Session on Disarmament

PY0706183388 Brasilia Radio Nacional da Amazonia
Network in Portuguese 1422 GMT 7 Jun 88

[Speech by President Jose Sarney at the UN Conference on Disarmament at the United Nations—live]

[Text] Mr President: Please accept my congratulations on your appointment as president of this UN special session on disarmament, a task which, I am certain, Your Excellency will carry out with the same ability demonstrated in conducting the proceedings of the regular 42d UN Assembly session.

Mr President, with an awareness of history in the making, I once again occupy the rostrum of the UN organization, a symbol of the ideal of concord among nations. This is a remote ideal which has aroused the passion of statesmen, heroes, martyrs, visionaries, and thinkers who have, between romanticism and cruelty, lived in the permanent contradiction of reality and hope, in the stark paradox between wishes and facts.

Throughout my public life, I have always devoted special attention to international affairs. As a congressman, I frequently expressed my concern about these affairs from the rostrum of the Chamber of Deputies and the Senate of my country. As president, foreign policy has been one of my permanent concerns. This is the fourth time I have appeared at this organization to devote attention to world transformations. I was here at the 16th General Assembly in 1961, when I was a member of the special politics commission. The United Nations at that time had 104 member countries; it now has 159 member countries. The corridors of this organization were then enlivened with the colorful clothing of different customs and races, of legendary heroes of the wars of independence, and of nostalgic heirs to thrones. Those were the times of decolonization, when the world was breaking out of the political geography that had been imposed on it by the exploitation and dominion of empires. The sunshine of freedom was rising for many peoples.

Yet, unfortunately, panic and astonishment were beginning to emerge in the glare of nuclear tests that represented a danger for humankind. People were walking on the streets of New York as though at any moment the city would be enshrouded by clouds carrying the residue of nuclear explosions and anticipating a nuclear death. Shelters were prepared and demonstrations to awaken consciences were staged, issues that later appeared with their full dramatic force were discussed.

The Middle East placed on the agenda the problem of the Arab refugees from Palestine, we had the Congo, the Upper Adige, and the restlessness of the territories under tutelage, and Africa broke its shackles. On behalf of my country, I was one of the first speakers to protest against

that smirch upon humankind that is apartheid, unmasking at that time its tragic face to the world. Africa was assuming its greater dimension by bringing blacks into the center of decisionmaking, protesting, struggling, and affirming themselves.

I was on this rostrum in 1985 as a head of state to mark the 40th birthday of the UN, to talk of the main guidelines of my government's foreign policy. Today, accepting the invitation of UN Secretary General Perez de Cuellar, I am here to participate, along with a large number of chiefs of state and government, in this special General Assembly session on disarmament, the first such assembly attended by a Brazilian president.

I now stand here amazed at the timeliness of this assembly when attention is being focused on the Moscow summit, where the two major powers discussed disarmament with the authority of those who possess arms and who speak of them with the simplicity—as Clausewitz used to say—of two great commanders who, wearily, speak of the life-or-death problems of millions of people.

On their lips, war is personalized as some sort of duel. Far be it for me to discourage such agreements and efforts. On the contrary, my country has encouraged them, and once more it proclaims how much humankind is now indebted to those statesmen, President Ronald Reagan and General Secretary Mikhail Gorbachev.

They had the courage to remove barriers and to effectively pursue a program of disarmament which must continue nonstop, so as to erase the satanic theory that peace is a balance of terror. This is tantamount to what Bismarck used to say: Gratitude and confidence will not bring anyone to our side; only fear will.

I worry about the fact that nowadays, when peace and war affect the very existence of the earth, which could be destroyed many times over, the attitude of poor and unarmed countries, powerless to participate in the fantastic race to acquire destructive technology, should be expressed in the old saying: Hail, Caesar, we who are about to die salute you. The task of salvation calls for the participation of everyone, excluding no one. A weakened multilateral system is damaging to the cause of peace. Disarmament, no matter how large the arsenals of the great powers, should never be discussed on an exclusive one-to-one basis. With the emergence of nuclear technology, this issue of disarmament has acquired an all-important connotation.

Nature itself, all living matter, is at the core of this issue. It is not the art of war, but the fundamental issue of life—not as a benefit for a single individual, but as a philosophical and collective proposition—that is at stake. Everything is threatened—from the poor Indian in the Amazon, to the smallest flower carefully cultivated by a poor child in Harlem, to the wealth accumulated by men in all countries and continents. Total destruction does not distinguish the rich from the poor; it spares no

one of the human species. It is death invading both living and nonliving matter; it means eternal silence, the silence of which the Brazilian poet Ferreira Gullar spoke:

Death crept through all the streets,
Through the trees in the backyard,
Entered the kitchens of our houses,
Took on the smell of roast beef
To remain shining on the tableware...

This is not just a question for the great powers. It is just too dangerous to be dealt with by two men from two countries, though the major responsibility is theirs. Peace will never be the result of force, but of a civilized, universal public opinion that makes itself heard in all circles where it can be expressed, imbued with the rights of men and with respect for life and nature.

Perpetual peace, in Kant's vision, world peace—not truce or angelic pacifism—is the political objective of modern times. The idea of world peace did not emerge during ancient times or the Middle Ages. It only came into being after the intellectual emancipation brought about by the Enlightenment. This is also the idea of humanity as a single moral, although not uniform, community. Modern philosophical thinking has reinforced the Christian notion of unity of the human species. However, a recognition of moral force would not be realistic if it ignored the strategic role of the state in the maintenance and improvement of international order.

Indeed, the state can be a source of oppression and aggression, but the state is also an indispensable vehicle for the moral advancement of humankind through international cooperation and the curtailment of anarchic inclinations and predatory impulses. In colonial times, the great powers exerted direct dominion over weaker peoples. Our times have witnessed the transformation of that dominion into various forms of hegemony or indirect dominion. The smaller countries have an important role to play at this time. I do not hesitate to affirm that the resolute pro-disarmament spirit of these smaller countries, among them Brazil, coupled with their determination to reduce the inequalities and asymmetries of the international system, constitutes a most important factor for the improvement of coexistence among nations, under the aegis of peace, democracy, and development. For our countries, disarmament is synonymous with humanism—the greatest practical humanism of our time.

Mr President, I speak for a country that has always actively participated in all efforts for disarmament in every multilateral forum. I am president of a nation that prides itself on not having any pending disputes and on never having jeopardized international peace and security. We maintain with all our neighbors fruitful and friendly coexistence, which is renewed every day through various forms of understanding and cooperation. Brazil has borders with 10 countries, and yet it does not have problems with any of them. Thus, these borders are like living vanguards of friendliness and integration. The Amazon and River Plate

Basin treaties are the institutional framework for the development of an egalitarian and mutually beneficial cooperation among countries of one of the most peaceful and least armed regions of the world.

Together with its neighboring countries of the South Atlantic, Brazil is determined to contribute to the implementation of the objectives of the South Atlantic peace and cooperation zone proposed by my government and approved by the United Nations through Resolution 41/11.

The consolidation of the integration project among Brazil, Argentina, and Uruguay is a tangible result of diplomacy in our part of the world. At the same time, we are strengthening our cooperation with the countries I have had a chance to visit, such as Mexico, Venezuela, Colombia, and Peru. Our goal is a common market open to the entire Latin American continent, so that it may become an integrated economy.

As a member of the Contadora Support Group, Brazil has actively participated in the quest for solutions. Within the Group of Eight and the OAS, our country has sought to step up dialogue, to get to know each other better, and to coordinate stances.

From a sovereign and democratic viewpoint, I reiterate our commitment to use nuclear energy exclusively for peaceful purposes. As I stated when I announced that Brazil had mastered the uranium enrichment technology on 4 September 1987, one cannot live without full access to scientific developments and their use for peaceful purposes.

The high degree of industrial, scientific, and technological development that has been achieved by some countries does not grant them the privilege of not complying on an equal basis with international agreements on disarmament.

Nuclear cooperation for peaceful purposes has yielded beneficial results among Latin American countries because through it they have strengthened their mutual respect and trust.

I want to formally praise a historic achievement that has had a great impact in South America, and that deals with the issue being discussed in this assembly.

In keeping with a decision adopted by President Raul Alfonsin and myself, Brazil and Argentina established nuclear cooperation agreements which dispelled all speculation about a possible nuclear race in South America. We crushed all possibilities of a nuclear threat in Latin America.

With the objective of supporting this decision, the president of Argentina, in a historic gesture, invited me and Brazilian scientists to go to the Andes Mountains to visit the uranium enrichment and nuclear research installations at Pilcaniyeu. This was an unprecedented moment in bilateral relations.

In return, I invited President Raul Alfonsin to inaugurate the Aramar center in Ipero, Sao Paulo State, which houses new Brazilian installations for the uranium enrichment process and the manufacturing of reactors.

In Picaneyeu and Ipero we showed our own nations, Latin America, and the entire international community that we trust each other and that we are determined to grow together by developing nuclear resources for peaceful purposes.

We overcame old rivalries, we established an exemplary atmosphere of trust, and we joined our energies and our intelligence to dominate high technology for peaceful purposes and for the well-being of our peoples. Future generations will be able to praise these undertakings.

Mr President, the present international situation in the disarmament sector is characterized by two important elements:

First, U.S.-Soviet relations are characterized by an atmosphere of detente in view of the reduction of strategic nuclear missiles.

The conceptual and technical progress that has been achieved in the verification field are promising. I hope this progress will soon lead to the adoption of specific steps and to the achievement of greater success in the real reduction of nuclear arsenals.

I hope the present negotiations on long-range nuclear arms will focus due attention on the need to restrain and reverse the geographic proliferation of nuclear forces.

Second, regarding multilateral negotiations, we wish to quickly achieve a conclusion of the convention on chemical weapons, the use of which has been banned since 1925 by the international community.

This third special session of the UN General Assembly is being held in the wake of a long process and much effort by the United Nations to achieve disarmament. This effort was begun by the UN General Assembly in January 1946.

The most recent document, which was drawn up by the first special session of the UN General Assembly on disarmament 10 years ago, is the example and the basis for developing concepts and practical measures to achieve disarmament. It encompasses an ideal, as well as a specific and objective plan of action.

In the name of so-called realism, however, some voices have been raised against the lofty goal of general and complete disarmament, describing it as unrealistic. These voices argue that stopping nuclear testing is incompatible with the military security of some states, that the extension of the nuclear arms race into more areas is necessary for strategic balance, and that many disarmament measures are not feasible.

This is strange logic, seeking to present as realistic and acceptable an idea that admits the possibility of extinction of the human species but considers it unacceptable to take a risk to achieve peace.

Since the last world war—even after more than 40 years—not a single day goes by without our recalling the horrors of that conflict.

This is an inconceivable doctrine involving the security of a few, as opposed to general insecurity. More than a paradox, the balance of terror represents an attack on humanity. This type of realism is the most abstract and misleading of all realisms.

Realism cannot be a pretext or an excuse to justify inaction. Realism means facing the huge problems affecting us and trying to resolve them for the benefit of humanity. It means doing our daily work.

The attempt by the superpowers to enforce measures to stop the proliferation of nuclear weapons in other countries, countries where such weapons do not exist, while not accepting the reduction of an excessive—quantitatively and qualitatively—proliferation of weapons, appears to be inconsistent and paradoxical. The great powers, which possess huge arsenals, are engaging in such an attempt.

The importance of the goal of limiting and reducing conventional forces, under effective international supervision, has also been downplayed. It is only natural for Brazil, which lies in one of the world's least armed regions, and which has one of the lowest levels of military expenditures, to ask for something that is required by logic and good sense: the initiative, the courage, and the responsibility of the states and the regions where the largest troop deployments and military power are concentrated to play a key role.

Mr President, the first meeting of South Atlantic countries will be held in Brazil soon. This meeting should encourage a constructive and fruitful discussion concerning the means for implementing the points of a declaration approved by the UN General Assembly to establish peace and cooperation in the South Atlantic.

In keeping with the special responsibility of the South American and African nations to oversee the achievement of these goals, we count on the cooperation and good faith of other countries, especially the nations of great military importance, to reduce and eliminate foreign military presence in the region, to stop the introduction of nuclear weapons, and to prevent the extension of foreign tension and rivalry into the area.

Once again, I recall, with special concern, the serious point of tension represented by the continuation of the apartheid regime in South Africa, by the continued

illegal occupation of Namibia, and by the South African attacks. The lack of a solution to the Malvinas Islands issue is also cause for concern.

Equally alarming, Mr President, are the growing risks of militarization, including that of outer space. This jeopardizes the effort that the international community, through the United Nations, has been making for many years to preserve outer space as a property of humankind to be used to improve the destiny of the earth.

I am emphasizing the nonmilitarization of outer space as a precondition for taking substantial regional disarmament measures.

This disarmament conference can and must complete and improve the existing legal framework in order to prevent outer space from being contaminated by the effects of the arms race.

Mr President, equality, confidence, and solidarity are the foundations upon which we should succeed in our efforts for disarmament and peace.

Summing up, Brazil believes that no state should ask any other state to take disarmament measures that it is not willing to adopt itself. No one can ask someone else to do something that will not be reciprocated.

One state's concerns about its own security are as valid, important, and relevant as the concerns of any other state about its own security. This is the principle of equality.

Industrial and technological development does not relieve a country of the obligation to observe and respect internationally agreed-upon disarmament measures.

The nonmilitarization of outer space is an essential precondition for the adoption of major regional disarmament measures.

The proliferation of nuclear weapons has jeopardized the decision that many states have made to do without nuclear weapons.

I want to stress the deep interconnection between the problems of the search for peace and the problems of social injustice, development, and the happiness of men.

It is tragic for all of us to see how huge amounts of money are used to develop military technology while the funds earmarked for fighting absolute poverty are dwindling.

In a world of staggering scientific and technological progress in many areas of knowledge, what will be the future of the have-nots?

The have-nots are waiting for further disarmament. They are waiting for the disarmament of the arsenals of starvation, unemployment, inequality, state interventionism, the international economic order, the foreign

debt, the shameful price of raw materials, protectionism, intervention, terrorism, violence, and the moral crisis, all of which are undermining the foundations of men.

It is expected that disarmament will also reach the arsenal of the growing gap between the poor and the era of scientific discoveries that have opened paths toward the 21st century not for a world that is undergoing a transformation but for a world that has already changed.

I reiterate that democracy is the path to peace. Freedom, with its creative power, promotes competitiveness. Democracies cannot be rated on the basis of the imperfect fulfillment of goals. Despotism, on the other hand, remains unchanged, framed by its unquestionable values. Democracies always seek solutions through dialogue. Stability is the fruit of understanding.

Ideologies have principles that cannot be questioned. Yet we should prevent the militarization of these principles. We do not want a world in which ideas are imposed by the force of arms. If this happened, the world would be condemned to destruction. Empires do not last forever because history is stronger and more active than any hegemony. [applause]

As an intellectual, I believe the struggle for peace should begin in the area of ideas.

There will be always be prophets of peace. We have the example of the converted and mystical Tolstoy, with his long white beard, who dreamed about a peaceful world after writing everlasting masterpieces about war.

The world cannot exist without prophets and poets, without historians who examine the lessons of the past, without politicians who reconcile the conflicts of the present, and poets who dream about the future.

Disarmament does not mean only having control over weapons, the balance of power, the power of deterrence, and the treaties. Disarmament is obtained through the righteous anger of the pacifists, the idealists, the people who indoctrinate, and the unrelenting purity of youths.

Mr President, we have gathered here to join forces and to change the status quo. And we can change it, because there is nothing in the world that cannot be changed with the will of the people.

The nuclear holocaust will not come. Even when all hope is lost, we will find strength that will bring hope to us again.

Let us think about Mother Teresa of Calcutta, whose small and aching feet walk through alleys and among the disabled, through villages of India. In Brazil we have Sister Dulce, full of kindness, of small hands carrying mountains of love and good deeds, struggling to bring peace to people's bodies and praying for the redemption of their souls.

Thank you very much. [applause]

On Domestic Issues, Debt

PY0806160288 Brasilia Radio Nacional da Amazonia
Network in Portuguese 1244 GMT 8 Jun 88

[News Conference held by President Jose Sarney to Brazilian journalists at the Intercontinental Hotel in New York—live]

[Excerpts] [Sarney] As I always do in these press conferences, I first wish to thank all the Brazilian journalists who have come with me in compliance with their duty of informing the Brazilian people.

[Reporter] GAZETA MERCANTIL. Mr President, the Constituent Assembly's decision last week regarding your presidential term has removed your main political obstacle. It has likewise created two expectations regarding the direction you will give to the economic policy during the 20 months you have left in your administration.

The first expectation is that you will probably give priority treatment to stabilizing the economy and that you will continue to implement the fiscal austerity and modernization measures which, however wise, are unpopular measures that find great opposition.

The second expectation is that you could adopt an expansionist [expansionista] policy. You will undertake great projects to mark your presidency.

Those who believe in this second expectation believe that you will try to recover your popularity as fast as possible to influence in the election of the next president.

By your statement yesterday regarding the debt, you seem to be leaning toward the second expectation. You said that the agreement we are reaching with our creditors is so good that it will allow us to pay the debt without sacrificing the Brazilian people and without hindering our development.

I would like you tell us which of the two expectations will be fulfilled.

[Sarney] First of all, I think that the decision by the Constituent Assembly regarding my term is not an isolated fact. It is linked with the overall problem of the expectations created by the National Constituent Assembly in this phase of transition to democracy.

We started to eliminate the problems, which somehow discouraged investments in our country and paralyzed our economic dynamism. We then had to resolve the presidential term problem. The Constituent Assembly finished its tasks and managed to resolve the most polemic issues, and there is an expectation that, in the second stage, the constitution itself could correct the excesses committed during the first voting session. This will create the conditions to allow the country to return to normalcy.

As I said before, I believe our crisis is political because it is not a crisis of the economic structures. The Brazilian economic structures have remained unchanged and with all their potential. What we are really going through now is a state crisis.

This is the crisis of a country that is trying to modernize and to prepare itself for the 21st century, but which has state structures and policies that are obsolete in relation with the people's need for change.

I will certainly try to use as best as possible the time I have left in my term to resolve some of these complex problems. [passage omitted]

[Reporter] TV Globo. Mr President, if I am not mistaken, Brazil is currently the sixth largest exporter of weapons in the world. Brazil exports, I believe, about \$1 billion worth of weapons yearly and it would export much more if it could. How can you reconcile this fact with the disarmament and pacifist speech you have just given at the United Nations?

[Sarney] If your figures are correct, and if we exported \$1 billion worth of weapons, it would represent a very small part of the world expenditures on weapons. It would represent less than 1 percent of world expenditure on arms. Therefore it is false to say that Brazil is a great arms exporter.

We do not master any sensitive weapon technology. We export military equipment, like uniforms and tents, that cannot be classified as weapons.

We also do not sell weapons at all to any country that is in conflict. We only sell unsophisticated defense weapons. That is the Brazilian position. Our competitors wish to give us the image of a large weapon exporter.

[Reporter] Would we like to be a large weapons exporter?

[Sarney] I think that we seek to increase the export of other things rather than weapons. As I said yesterday, I personally believe, as an intellectual and a humanist, that the disarmament problem is not a material issue but it is also a public opinion and conscience problem. We will not attain disarmament only by destroying the weapons. We must create a world conscience against violence. Here is where the pacifists fit, and I could consider myself among them.

[Reporter] TV Manchete. You have still 20 months in office but the presidential race seems to have started already. Don't you think that you will end up in the role of administrator to your successor? And within this same question, what do you think of this transition to democracy you are presiding over; will it end in an election between Leonel Brizola and Janio Quadros?

[Sarney] Well I must confess that, although clairvoyants are in fashion, I cannot tell who will run for the next presidential elections. Of course, as president of the Republic I must attentively follow the succession process.

However, our wish in Brazil, at least my wish as president, is to reach—in the time I have left in office—a political pact, to conclude the transition process, and to declare a truce within this pact to create better conditions for the country to overcome its difficulties.

[Reporters] FOLHA DE SAO PAULO. Yesterday the reporters who were in the hotel lobby saw that several computers arrived to be delivered to the rooms of members of your entourage. Those computers will be taken to Brazil on board your airplane but their entry in the country is illegal. What can you say about this?

[Sarney] All I have to say is that I will pass to the next question.

[Reporter] O ESTADO DE SAO PAULO. Mr President, the presidents of Argentina and Mexico are personally becoming involved in the foreign debt issue. Alfonsín and De la Madrid are saying that the debt interest rates must be reduced by half because otherwise they will have no money left for investments. Why can't the Brazilian president assume a similar attitude? Why can't he become directly involved in the negotiations?

[Sarney] On the contrary, Brazil has been the one to say that the debt problem has two aspects, a political aspect and a financial aspect.

The financial aspect is that by which each debtor country is negotiating with its creditors within their own particular terms, payment conditions, and potential. Mexico has renegotiated its debt, as has Argentina. We are also doing this now, from the financial point of view.

Now, the debt also has a political aspect, which involves everyone. We believe the foreign debt problem is not only the responsibility of the debtor countries. It is also the responsibility of the creditor countries. In this regard we have all made an appeal to the Group of Seven to think about the foreign debt problem.

We are now living through a phase in the foreign debt crisis. Brazil is trying to reach—and I believe it will soon achieve—an agreement which I think is the best agreement ever made on the foreign debt.

You must be asking yourselves why we are taking so long. We started the negotiations 8 months ago because it involves large amounts of money, that is, \$70 billion. We took a long time because we have defended with much determination Brazilian interests and points of view so as to reach a valid agreement which we will be able to comply with without imposing a burden on the Brazilian people or hindering our growth.

[Reporter] Radio Metropolitana. Mr President, talking about the negative Brazilian image abroad, the domestic and foreign media are discussing the constant military interference in the Brazilian constitutional and government administrative process. I would like to know if this is true. If it is true I would like to know how the military men have contributed to the Brazilian democratic transition.

[Sarney] I think the Brazilian image abroad is starting to change. Presently, in the United States I can see that the Brazilian image is far better than the one we had the last time I was here.

Our great image problem was not due to a domestic problem. The Western world is big and has its own interests, so it therefore cannot consider the details of our Constituent Assembly or of military interference. Our great image problem occurred when we had to declare a moratorium because we had no reserves.

At the time we gave the impression of trying to defy or demolish the international financial system. We then had a foreign image problem as a result of our decision.

As for the military, I do not believe they meddled in the activities of the Constituent Assembly. On the contrary, the military men have helped in the democratic transition process in Brazil. They are part of the process.

I will cite an example I have already mentioned to some other journalists. For the first time in Brazilian history we have gone through an administration like the current one without a single military uprising or political [words indistinct]. We have not had single uprising during our administration.

This demonstrates that there is not a single military, civilian, or radical group which is not deeply participating in the democratic transition process.

[Reporter] Radio Globo from Brasilia. I would like to ask about the privatization of the state companies in Brazil. There are two aspects of this issue about which I would like to ask you. Many of these state companies were initially bankrupt private companies which the state received and in which it invested heavily. But now the state is about to return them to the private sector. Other state companies were created for the sake of development, but they have already fulfilled their mission so they are also about to be sold to the private sector.

To what degree are you concerned with obtaining an adequate price for these companies in order to recover what was invested in them, and how far do you intend to go in this privatization process? For example, in strategic fields like oil, energy, and telecommunications, do you intend to further privatize them?

[Sarney] Look, the current law directly excludes Petrobras. One of the law's article states that Petrobras is excluded from this process.

In the past Brazil was able to receive loans from abroad, and it could cover its deficits with foreign resources. Today, however, Brazil does not have the resources to pay for anything except the minimum responsibilities of the Brazilian state. It is even starting to fail to meet these minimum responsibilities.

Today, our tax burden amounts to 8.8 percent of GDP. This means we can only modestly support the state apparatus. The problem is neither doctrinal nor ideological. It is not necessary to know whether or not the state is interventionist or whether or not it has to transfer its enterprises to the private sector. The state simply cannot cope with responsibilities other than the pressing responsibilities of rendering good service to the people.

We have no funds for investment in utilities. Consequently, we have to get the funds from the market and we have to sell bonds, thus increasing our foreign debt to very high levels.

This has happened because the idea that the state is the savior has become strong over the years. The state has been regarded as everyone's big father. It was believed that the state could do everything. Everyone having a problem resorted to the state. Enterprises were not expected to fail, and no sector was considered likely to be affected by a crisis. The market economy was thus harmed, because while free competition was preached, there were actually no competitors, because the state supplied everything. It was not capitalism without risk, but rather a very strange type of state participation in the economy.

This model is now exhausted, and this is Brazil's problem. Our problem is not that of our economic structure; our problem deals with the state itself. This process, which began long ago, is now showing itself for what it really is, because we live in a democracy in which everything is published and in which the people know everything. Newspapers report everything, and no restriction whatsoever has been imposed on freedom of information in any sector.

Therefore, we now know how serious the crisis is. We did not stop and reflect while the crisis was in the making, and it climaxed during the democratic transition.

We have had three very serious problems during the transition. We had the democratic transition. It is difficult to govern with two institutional orders, the incoming and the outgoing constitutional orders. It is difficult to face an institutional crisis and, at the same time, an economic crisis, which inevitably leads to a social crisis. We know that Brazil is confronting a deep social crisis.

Brazil has an unfair distribution of income. All of us know that the distribution of income is very unfair in our country. In addition, salaries are low. While our economy is measured in terms of world standards our social indicators are extremely low. [passage omitted]

Plebiscite on Form of Government Set for 1993

PY0406033988 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Jun 88 p 1

[Text] On 7 September 1993, Brazilians will have to make two choices at a plebiscite. One will be between the republican and monarchical form of government; the other, between the presidential and parliamentary form of government. Also, the constitution that is now in the process of approval will be subject to general revision. The Constituent Assembly now in session has approved the plebiscite and the revision.

Constituent Assembly Approves Indian Charter

PY0306040088 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun 88 p 5

[Excerpt] Brasilia—Yesterday afternoon the Constituent Assembly approved the text of the chapter on Indian rights, Chapter VIII, that was previously agreed upon by the leadership of political blocs. The chapter on Indian rights was the last permanent charter of the future constitution.

The charter recognizes the right of the Indians to their social organization, customs, languages, beliefs, and traditions and their original rights over the land they traditionally occupy. They are also given exclusive rights of exploitation of resources in their soil, rivers, and lakes. Mineral resources, however, can only be exploited with congressional authorization.

Nearly 100 Indians awaited the decision in the corridors. Many of them wore necklaces and body paint, and they applauded when the electronic panel showed the result of the voting: 497 in favor, 5 against, and 10 abstentions. [passage omitted]

PMDB Dissidents Prepare To Form New Party

PY0406021288 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 3 Jun 88

[Text] The Constituent Assembly approval of Sarney's 5-year mandate has provoked a PMDB crisis: Mario Covas, PMDB leader in the Constituent Assembly, today resigned his post; PMDB dissidents met to discuss the creation of a new party; and Alagoas Governor Fernando Collor de Mello announced his decision to leave the party.

Governor Collor de Mello announced that he was leaving the PMDB and taking with him two federal deputies and one senator.

[Begin Collor de Mello recording] The group of congressmen known as the Centrist (Centrao) has clearly shown to have the support of a majority of PMDB members. This group will control the party. [end recording]

In the Constituent Assembly, Senator Mario Covas announced in a calm voice to an almost empty chamber that he would remain in the PMDB at least until the end

of the Constituent Assembly. The senator added that he is willing to continue as PMDB leader in the Assembly if the party bloc leadership wants him to.

[Begin Covas recording] I am not leaving the post, but I understand it is perfectly normal for the party to designate another leader because the post belongs to the party. [end recording]

The Constituent Assembly decision yesterday made the work of the PMDB dissidents easier. This afternoon they met in the Senate's justice committee room and began to discuss the manifesto, charter, and program of a new party, a party leaning toward social democracy. Nearly 50 Constituent Assembly representatives, mostly from the PMDB, participated in the meeting. Some representatives had split from the PMDB more than 2 months ago, such as Deputy Pimenta da Veiga from Minas Gerais. Others will announce their decision in the next few days.

Some dissidents came from the PTB [Brazilian Labor Party], such as Deputy Dirce Tutu Quadros; or from the PDT [Democratic Labor Party], like Deputy Moema San Thiago; and even from the PFL, like Deputy Saulo Queiroz. The surprise, though, was the presence at the meeting of Senator Mario Covas, who was received with applause. The group of dissidents are now convinced that the new party is no longer a dream and has become a reality.

[Begin Senator Jose Richa recording] We want to speed up the process and discuss the drafts we have drawn so as to have a national forum on the 24th or 25th and approve the documents that create the new party: the manifesto, the charter, and the program. [end recording]

The senator and deputies mentioned by Alagoas Governor Collor de Mello who have announced they were leaving the PMDB are Senator Teotônio Vilela Filho and Deputies Renan Calheiros and Geraldo Bulhões.

Technology Exchange With USSR Contemplated

PY0406040988 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Jun 88 p 21

[Text] Brazil may exchange its technology in the computer and machinery manufacture fields for Soviet technology in the electricity and mining areas. This was announced in Rio de Janeiro yesterday by Stanislav Diatchkov, head of the Latin American Department of the International Economic Relations Ministry [name and title as published]. Tomorrow, Diatchkov will meet with the Vale do Rio Doce Co. to discuss transfer of mining technology from the Soviet Union and Soviet participation in the Maranhao Steelmaking Plant in the form of a joint venture [preceding two words in English].

Diatchkov provided that information at the end of a ceremony installing the Brazil-USSR Commerce and Industry Chamber at the headquarters of the Commercial Association of Rio de Janeiro. The Brazil-USSR chamber will be

headed by Brazilian Luiz Antonio Schneider, president of Odebrecht Overseas—the branch of the Odebrecht company involved in the international market.

The chamber was installed in a session chaired by Amaury Temporal, executive of the Commercial Associations Confederation of Brazil, in the auditorium of the Rio de Janeiro Commercial Association, which was filled to capacity. Paulo Protasio, president of the Brazilian Tradings Association (ABECE); Valeriy Voinov, member of the USSR commercial office; and Giulite Coutinho, president of the Brazilian Exporters Association, participated in the proceedings. After the ceremony a lunch was served to 300 businessmen and foreign trade experts.

Stanislav Diatchkov said in the ensuing news conference that there are several possibilities for joint ventures both in Brazil and the Soviet Union. As an example, he cited the joint venture between the Swedish company Petrapack and the Soviets for the operation of a juice processing plant under the name of Citrusuco, which will export fruit juices to the Soviet Union and other markets. This company will export carrot and apple juice to Europe and import orange juice to Brazil. Diatchkov said: "We have a huge market of 280 million people." Another example of cooperation is the construction of the Capanga hydroelectric plant in Angola, at a total cost of \$1 billion. Here the Soviets will supply design and equipment and Odebrecht is in charge of construction.

ABECE President Paulo Protasio said that a 120-product list has been prepared for trading between Brazil and the Soviet Union. Brazil is prepared to export sugar, soybeans, coffee, cacao, instant coffee, and manufactured products. So far, the Soviet Union only sells oil to Brazil.

Network Smuggling Arms From U.S. Discovered
PY0406151088 *Brasilia Radio Nacional da Amazonia*
Network in Portuguese 1000 GMT 4 Jun 88

[Text] The Army has discovered a network smuggling arms from the United States to drug trafficking rings in Rio de Janeiro.

The smugglers introduced themselves as Rio de Janeiro policemen at the Brazilian Consulate in Miami and asked for a document that permitted U.S. arms salesmen to conduct the transactions.

A list with the number of weapons smuggled and the names of the wrongdoers has been forwarded to the Army, Navy, and Aeronautics ministers.

An inquest has been opened in Rio de Janeiro to investigate the possibility of policemen being involved in the arms contraband.

Ammunition Smuggled In From Paraguay
PY0906021888 *Sao Paulo O ESTADO DE SAO PAULO*
in Portuguese 7 Jun 88 p 16

[Excerpt] Campinas—A shipment of 18,000 rounds of Glaser-type ammunition—of very high destructive power—which was stolen in Paraguay last week, has been clandestinely brought into Brazil through the border city of Pedro Juan Caballero. According to the special police of Asuncion, the shipment must have been taken to Campo Grande, Mato Grosso do Sul, where Turcao, a well-known light arms dealer, who also deals in military weapons, has his headquarters. The shipment is worth \$60,000 on the black market (some 3.8 million cruzados).

The shipment comprises boxes of 50 6-cartridge units, in the same kind of package that is sold by businessman Song-Vu-I, who sells hunting equipment in a small network of stores in Asuncion and in the border towns of Puerto Stroessner and Pedro Juan Caballero. No one witnessed a holdup of Song-Vu-I's store, from which the ammunition was stolen, but intruders removed some cartridge containers through a window that they forced open, also taking 6 Franchi-Spas cartridge boxes. These are frequently used by antiterrorist squads. Song-Vu-I also deals in electronic movie, video, photographic, and radio receiving equipment.

The investigations, which are being conducted in secrecy by the Asuncion special police, have revealed that the shipment comprises U.S.-made .32 and .38-caliber cartridges, which the businessman bought from a middleman in Great Britain.

As of Saturday, the Brazilian authorities had not been officially informed about the fact, although some of the security organizations were already aware that "there was something abnormal in the area."

According to a federal police specialist, "the smuggled arms have a certain destination: the arsenals of criminals and drug traffickers of Rio de Janeiro," because "that city meets three conditions: the need for this type of ammunition, the money to pay for it, and the weapons to use it." [passage omitted]

Chile

Poor Showing at Rally 'Annoyed' Pinochet
PY0706190088 *Santiago Radio Chilena Network*
in Spanish 1700 GMT 7 Jun 88

[Text] Humberto Palsa, former deputy for Arica and current leader for the no vote campaign in the plebiscite, has labeled the public rally headed by President Pinochet in Arica last night as a great failure.

Palsa said that the rally was a failure because the organizers thought that it would serve to launch the candidacy of President Pinochet for the upcoming plebiscite. He told Radio Chilena that people were not even aware of Pinochet's presence in Arica. He said:

[Begin Palsa recording] The truth is that Pinochet's presence in Arica was not even noticed because the main act held to launch, from Arica, a national campaign was a great failure. No more than 2,500 people attended the rally and of these people we would have to subtract the many conscripts in civilian clothes who were in the rally and had no enthusiasm, not even to applaud the president. There were also Chilean folk music delegations from all over the country, some students, and mothers with children who came from other towns. Those people were given free transportation. For the first in the history of Arica several railroad cars of the Arica-La Paz railroad were made available to bring people from northern Arica. Those people were supposed to attend the rally but the trains came practically empty and the busses only carried about five to ten people.

This means that the rally prepared in the [words indistinct] for a large congregation was really a great failure. [end recording]

Palsa said that the organizers were hoping to get about 10,000 people but only 2,500 showed up. He added that President Pinochet was noticeably annoyed by this situation. He said:

[Begin Palsa recording] We saw that President Pinochet was visibly annoyed because of the few people at the rally, not very many of them applauded. Most of them were conscripts in civilian clothes. Therefore, the rally which the organizers believed was going to be the occasion to proclaim enthusiastically President Pinochet's candidacy for the presidency in the plebiscite through the yes vote was practically a failure.

Leaders of Arica such as Garvi, Motou, and the representatives of the industrial sector of the few industries of Arica said that President Pinochet was going to make important announcements to reactivate the economy of Arica. But President Pinochet said absolutely nothing about the reactivation. In his short 8-minute speech Pinochet reiterated the same old criticisms of the opposition parties and indicated that the victory of the no vote would mean chaos for Chile. [end recording]

Humberto Palsa said that what happened last night is just more proof that the people who advocate the no vote are the majority in Arica. Palsa predicted that if the plebiscite were held now the opposition would win with 70 percent of the votes.

FPMR 'Might' Join No Vote Plebiscite Campaign
PY0406200188 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1900 GMT 3 Jun 88

[Text] Buenos Aires, 3 Jun (NA)—The Manuel Rodriguez Patriotic Front (FPMR), which has been carrying out an armed struggle against the Chilean military

regime, has announced here that it might join the campaign for the no vote in the upcoming plebiscite in Chile. The FPMR also warned that General Pinochet "is preparing the ground for a self-inflicted coup."

FPMR spokesman Nelson Sepulveda said, in a semi-secret news conference, that the FPMR "has not yet decided to support the no vote, but this possibility has not been ruled out."

During a conversation with representatives of four news media, including two foreign newspapers and PAGINA 12, Sepulveda stressed the "possibility that Pinochet might resort to a self-inflicted coup" because of the many factors that are adverse to the regime.

In September and December 1988, the Chileans who have registered for elections will be summoned to vote for or against the candidate that the military junta will propose to rule the country until 1997. It is certain that Pinochet will be the sole candidate, seeking to extend his term in office to 24 years.

The FPMR has so far advocated nonparticipation in the plebiscite and has been carrying out acts of sabotage against Pinochet's electoral campaign.

Sepulveda added: "It would be better if the plebiscite were not held. However, in the present circumstances the FPMR is determined to support any possibility of breaking the regime's institutionality and paving the road for Pinochet's ouster."

Sepulveda stressed that the possible participation of the FPMR in the no vote campaign will depend on "the development of several factors and signs that we regard as positive. We are ready to cooperate and, in due time, support these developments."

Sepulveda went on: "For the time being, the only one who can stop the plebiscite is Pinochet himself." However, he could not [as received] resort to a "self-inflicted coup to prevent the plebiscite from being carried out" because there are several factors adverse to his regime.

The recent unfavorable opinion polls, the worsening of opposition criticism, the recent defeat of the regime at student elections at the universities, and the possible FPMR support of the no vote are among the factors adverse to Pinochet's regime.

Poll: More See Government Qualified To Govern
PY0306040788 Santiago Television Nacional
in Spanish 0030 GMT 3 Jun 88

[Text] Recent opinion polls have revealed that only one out of four Chileans older than 18 thinks the opposition political parties could better govern the country. April's Gallup poll was conducted in various cities with more than 10,000 inhabitants. The question was asked: Do you think the opposition political parties are qualified to

better govern than the current regime? Only 24.6 of the population answered yes, while 40.6 percent do not believe the political parties are qualified to better govern. A full 34.8 percent did not answer.

The question was asked regardless of their political position: What do you think is the main reason to vote for Pinochet at the plebiscite?

A percentage of 35.5 said they would vote for him due to economic reasons, 37.8 said for order and security reasons, 21.2 percent gave political reasons, and 5.5 percent did not answer.

Provincial Governor on Anti-Communist Stand
PY0706173688 Santiago LA SEGUNDA in Spanish
27 May 88 p 10

[Report on interview with the Chacabuco Provincial Governor Colonel Jose Zara Holger by Alicia de la Cruz in Chacabuco Province "this morning"]

[Text] This morning Colonel Jose Zara said: "In Chile we will never again accept a communist, socialist, or similar type of government. Neither will we accept a government in coalition with them."

Col Zara, governor of Chacabuco Province, made himself widely known a few months ago for what he said in a speech during the anniversary celebration of the Paratroopers and Special Forces School. Col Zara is also the director of the school. Regarding those remarks, he insisted: "As I said before, I am responsible for what I have said."

We were in Chacabuco following up the visit of a group of under secretaries and mayors to several towns in the northern area of Santiago.

[De la Cruz] Yesterday the president told the intendants that it is convenient and legitimate that mayors, governors, and intendants work for the continuation of the regime. Do you think this type of activity contributes to what the president said?

[Zara] Quite clearly. He has always given instructions to work together and to do it for the continuation of the regime.

[De la Cruz] Do you not think that the fact that you are a military officer and that the continuation of the regime is a political objective are rather incompatible?

[Zara] I do not think so, not at all. You have to be Chilean to become an officer. This means you are part of the country. Therefore, it does not make any difference whether you are a civilian or an officer.

[De la Cruz] Then you agree with the defense minister when he stated that the Armed Forces should participate in government and its process of deliberations?

[Zara] The Armed Forces have always been part of the different governments, either as support or as advisers. Whether these governments accepted their suggestions or not is something else. You should not interpret this as carrying politics into the barracks.

The Armed Forces have sworn—they always do—to protect the Constitution. This is something that goes much further: It means maintaining the institutional process and the way of life of Chileans.

[De la Cruz] Do you agree with General Matthei when he says there will be a return to the past if Chileans do not understand what this regime has done?

[Zara] The Constitution states that the Armed Forces should have representation in Congress. The Armed Forces also participate in the Security Council. This is an organ which advises the president on how to maintain the institutional process.

[De la Cruz] You were really tough in your speech.

[Zara] I was speaking about something that belongs exclusively to the military sphere. I referred to his excellency the president as commander in chief. I said during my speech that we were ready to defend him and the nation. You have to understand what I said within this context.

[De la Cruz] But you said that you would ensure that those who fell would never see from their tombs any gesture of conciliation or return. You added that if this happened you would start sharpening your knives.

[Zara] You have to put that in context. As I said before, I am fully responsible for what I say. I do not think anyone would like to return to the past, the period 15, 16, or 17 years ago.

[De la Cruz] Do you mean that the Armed Forces would prevent the occurrence of a new socialist government?

[Zara] In Chile we will never again accept a communist, socialist, or similar type of government. Neither will we accept a government in coalition with them.

[De la Cruz] Will the Armed Forces prevent this from happening?

[Zara] Of course. The Constitution orders the Armed Forces to protect the national heritage. No one can be deprived of his property.

[De la Cruz] What if a socialist government wins power through the Constitution?

[Zara] Socialists and Communists are not the same.

[De la Cruz] What do you mean then with "similar type of government?"

[Zara] You can come to your own conclusions.

[De la Cruz] You tell me.

[Zara] I repeat what I said before.

[De la Cruz] Are you talking about the Christian Democratic Party?

[Zara] You can come to your own conclusion.

Shares of State Companies To Be Sold
PY0706034888 *Santiago Radio Chilena in Spanish*
2300 GMT 6 Jun 88

[Text] CORFO [Production Development Corporation] manager Jose Martinez has stated that 49 percent of LAN Chile [Chile National Airline] shares will be sold to the private sector in 1988 and that the total amount of shares to be sold to the private sector is 60 percent.

Martinez said that a few days ago, a law allowing CORFO to sell up to 60 percent of LAN Chile shares was published. During the first stage, a preferential offer will be made to LAN Chile workers. There will then be a public call for bids. Martinez labeled groundless the reports that the Australian Group (Alan Bond) could be interested in LAN.

It was also reported that 53 percent of the shares of Laboratorio Chile will be auctioned in the next few days.

CORFO reported that additional shares of the (Schwager and Chilefin) coal company will be transferred to the private sector as soon as this company is turned into a corporation.

ANALISIS Official Indicted by Naval Prosecutor
PY0506020188 *Madrid EFE in Spanish 1814 GMT*
4 Jun 88

[Text] Santiago, 4 Jun (EFE)—Fernando Paulsen, deputy director of the magazine ANALISIS, has been indicted by Valparaiso Naval Prosecutor Miguel Angel Munoz for allegedly violating the military justice code, which punishes offenses against the Armed Forces.

Paulsen was arrested on 30 May when he voluntarily appeared before the naval prosecutor to testify regarding an article published last April by ANALISIS entitled: "Arsenals: An Arms deal."

At the time of the article's publication, Paulsen was acting director of ANALISIS due to the fact director Juan Pablo Cardenas was ill.

Ivan Padilla, the author of the article, is also being held in the Valparaiso jail, 120 km northeast of Santiago, on charges of allegedly offending the Armed Forces.

The legal action against the managers of ANALISIS began with the arrest of Director Juan Pablo Cardenas, who is currently serving a night sentence in a Santiago jail for offending Chilean President Augusto Pinochet.

Gen Stange Denies Shining Path Attacking
PY0806144088 *Santiago Domestic Service in Spanish*
1030 GMT 8 Jun 88

[Text] Carabineros Director General Rodolfo Stange denied the possible participation of the Peruvian terrorist organization Shining Path in the attack and killing of several Carabineros in Chile.

Stange also said that the extremists who attacked a Carabineros garrison in Pelarco, north of Talca, 7th Region, have already abandoned the area.

Regarding the probable participation of foreign terrorist groups in the latest attacks on Carabineros, Stange said that the Shining Path has well defined objectives in one of our neighboring countries. But they could not do anything similar in Chile, he added.

Regarding the Manuel Rodriguez Patriotic Front command that attacked a Carabineros garrison in Pelardo, Stange said the investigation is over and the Carabineros investigating the incident have returned to their barracks. He denied the presence of military elements camping in the area and practicing with explosives. The military elements in the area have already left, he asserted.

Union Official Arrested After Arsenal Found
PY0406200488 *Santiago Domestic Service in Spanish*
1700 GMT 04 Jun 88

[Text] Military prosecutor Luis Acevedo has ordered the arrest of [name indistinct] Nunez, under secretary of the Democratic Central Organization of Workers [CDT]. Nunez is the owner of a house where an arsenal was found.

It is also believed that Colonel Carlos Carreno was held by his abductors in Nunez' house, which is located in La Cisterna district. Nunez has voluntarily reported to the office of Acevedo, who immediately ordered that he be held incommunicado.

CDT General Secretary Hernol Flores said that Nunez was a democratic union leader and that he did not believe Nunez was linked to leftist terrorists.

Large quantities of explosives and sophisticated weapons were found at 9157 San Vicente Street.

Police Chief on Discovery of Arsenals, Drugs
PY0706224688 *Santiago Domestic Service in Spanish*
1700 GMT 7 Jun 88

[Excerpts] Investigative Police Director Fernando Paredes has said the police do an efficient job of closing the doors to drug trafficking in northern Chile. Paredes

added that despite this effort, during the first months of this year we carried out at least 40 operations and seized 26 kg of cocaine. [passage omitted]

General Paredes also discussed recent terrorist attacks and the killing of several police officers. He said that last week police found two arsenals and this has alarmed the public. Paredes said the investigative police have done a good job of finding those responsible for the attacks.

[Begin Paredes recording] We have done an efficient job in Valparaiso. Last week we found two arsenals there. The week before we uncovered a very important arsenal of 10 high-powered weapons, including 5 that entered through Carrizal [Carrizal Bajo, Third Region, site where large arsenals were found 2 years ago]. The work of the police here has also been effective. This should help the public feel better. [end recording]

Paredes concluded by saying that he does not rule out the possibility of extremists from other countries entering the country from the north. But the investigative police will always be alert in order to investigate and control anyone wanting to disturb the peace in our country, he added.

13 FPMR Members Arrested; Held in Valparaiso
PY0706031488 Santiago Domestic Service in Spanish
2300 GMT 6 Jun 88

[Excerpts] The office of the chief of the emergency zone of Valparaiso and Easter Island Provinces has released the following communique:

As a result of the orders that the Valparaiso Navy judge gave to the intelligence services and to the police after the arrest on 6 May of six terrorists of the Manuel Rodriguez Patriotic Front (FPMR), who were later indicted—they all had links with terrorist (Roberto Ico Andau Rodriguez), who on 5 May clashed with security forces in the Gomez Carreno sector—some terrorists have been arrested. They remained at the Valparaiso investigations police barracks during the period set by law and were later placed at the disposal of the Navy judge. The detainees are: Sandra Fabiola General Reinoso, 21; Orlando Raul Barro Iturra, 24; Lizette del Carmen Valdebenito Larena, 24; Carlos Antonio Barro Iturra, 22; Veronica Olga Robledo Hoecker, 21; Sahira Delur Sanet Mondaka, 21; Ivan Leon Leon; Victor Alfredo Fernandez Febre, 23; Pedro Godoy Troncoso; Hector Ricardo Gallegos Lopez; Monica Beatriz Ahumada Olivares; Christian Vidal Iglesias; and Katherine Valdebenito Larena, 23. [passage omitted]

The support by communist countries of terrorism in Chile has once again been confirmed. In fact, Carlos Aras Munoz, who was arrested on 6 May, received paramilitary training in Cuba and practical training in Nicaragua with the Sandinist Army. Orlando Barro Iturra and Victor Fernandez Febres received training in Bulgaria, the Moscow satellite involved in the conspiracy to kill Pope John Paul II some years ago. [passage omitted]

Colombia

Barco, Military Discuss Current Violence
PA0806141888 Bogota Inravisión Television Cadena 1
in Spanish 1730 GMT 7 Jun 88

[Text] This morning President Virgilio Barco and high-ranking military commanders began an urgent meeting at Narino Palace. The president and the military high command are analyzing the country's public order situation and the necessary measures to control it.

Meanwhile, three soldiers, nine peasants, nine guerrillas, and the leader of a gang of hired killers died in various incidents during the last 48 hours in Colombia. Several electricity towers and a Telecom [National Enterprise for Telecommunications] relay tower were also dynamited. Here is a report by Jesus Garzon:

[Begin Garzon recording] The bodies of five peasants were found by authorities in Andes municipality in southwest Antioquia Department. They had been shot and stabbed. Four other peasants were shot at while they were traveling in a vehicle in Belen de los Andaquies in Caqueta Department.

Today the Defense Ministry confirmed that nine subversives of the Quintin Lame group and the M-19 were killed in a clash with the Army in El Alcazar, Cauca Department. Three soldiers were killed by the Popular Liberation Army in the Uraba region during an attack on Valparaiso. In a shoot-out in Medellin, the police killed David Crespo, the leader of a gang of hired killers who is said to be responsible for at least 30 murders.

This morning, a Telecom relay tower was dynamited in Norte de Santander Department. The blowing up of electricity towers has caused power outages in a large area of southern Cesar Department and Ocaña municipality. [end recording]

Coordinating Board Claims Gomez Kidnapping
PA0806202588 Paris AFP in Spanish 1938 GMT
8 Jun 88

[Text] Bogota, 8 Jun (AFP)—Today the "Noticiero del Mediodia" newscast reported that the Colombian left-wing guerrilla group that today claimed the kidnapping of the conservative opposition politician Alvaro Gomez 11 days ago in Bogota demanded the nationalization of the oil industry as a condition for his release, according to a bulletin sent to the Bogota daily EL SIGLO. The announcer closed the noon newscast with a last minute report stating that today EL SIGLO, whose publisher is Gomez Hurtado, received a bulletin from the so-called National Guerrillas Coordinating Board (CNG), which admitted it is holding Gomez Hurtado.

The CNG—which is comprised of the pro-Cuban Army of National Liberation, the communist FARC, the left-wing M-19, the Maoist Popular Liberation Army, and the Indian Quintin Lame group—had denied kidnapping Gomez Hurtado.

According to the bulletin received by EL SIGLO, the CNG proposed 10 points to negotiate Gomez Hurtado's release, including: nationalizing the Colombian oil industry; purging the military; and annulling the statute for the defense of democracy (the antiterrorist law).

New Group Takes Credit

PA0906014988 Bogota Inravisión Television Cadena 1
in Spanish 0000 GMT 9 Jun 88

[Communique issued by the family of kidnapped Colombian Conservative Party leader Alvaro Gomez Hurtado in Bogota on 8 June]

[Text] The family of Alvaro Gomez informs the country that yesterday it received a note dated 5 June and signed by a movement calling itself Colombians for National Salvation [Colombianos por la Salvación Nacional]. The note says that the group is holding Alvaro Gomez and that, quote, he is in sound physical and mental condition, unquote.

In this communique, those who claim to be holding Alvaro Gomez ask that his family and the media identify with the relatives of people missing in Colombia and take a stand, quote, against the state of siege, massacres, arbitrary arrests, torture, attacks, and disappearances, and official kidnapping of democratic and revolutionary leaders, unquote.

Bogota, 8 June 1988

Gaviria: CNG Communique Fake

PA0906020188 Bogota Inravisión Television Cadena 1
in Spanish 0000 GMT 9 Jun 88

[Text] There have been various communiqués today in which groups claimed credit for kidnapping Alvaro Gomez, including one from the Simon Bolivar National Guerrilla Coordinating Board, which Government Minister Cesar Gaviria said was not authentic.

There have also been several communiqués expressing support for the kidnapped political leader, including a communique from the Patriotic Union and another from the Colombian Episcopate.

Ecuador

President on Struggle Against Drugs, Terrorism

PA0606160188 Quito Voz de los Andes in Spanish
1200 GMT 6 Jun 88

[Text] President Leon Febres-Cordero once more defended his administration's struggle against drug trafficking and terrorism in the country. The president reasserted during a lengthy radio and television speech the regime's unbreakable decision to fight terrorism and drug trafficking, two scourges that afflict society.

[Begin Febres-Cordero recording] I already had the opportunity to tell you that, thanks to the work and courage of the police and Armed Forces, Ecuador no longer produces coca; it is considered at the world level as one of the countries that has successfully fought drug trafficking.

Referring to terrorism, the situation prevailing in August 1984 was highly dangerous for the community. Investigations have revealed that subversion began between 1960 and 1970 through certain isolated actions and terrorist actions carried out by subversives trained abroad.

We were able to find out that Libya was sending dollars to finance those activities, and the national police had to counter, with patriotism and courage, an extremely dangerous group that was well trained in terrorist techniques. The life and tranquillity that are so necessary for the Ecuadoreans' existence, the country's social peace, the survival of democracy, and the sovereignty that is so necessary for the existence of our state faced a serious and close threat. The threat could only be countered by giving all the necessary support to the national police and providing it with the means to carry out its worthy actions and the necessary technical training demanded by the harsh circumstances.

Innocent victims pay the consequences of terrorism; lives are extinguished in their prime while fulfilling their duty, when fathers and brothers are full of hope for the future. That is the result of violent actions that are planned by minds that only harbor hate and frustration and who deceive the obedient people who perpetrate those actions for their own noble ideals of liberty and justice. [end recording]

President Leon Febres-Cordero emphasized that the struggle against terrorism and drug trafficking should be permanently waged by this and future administrations.

Borja Invites Various Leaders To Visit

PA0806134888 Quito Voz de los Andes in Spanish
1200 GMT 7 Jun 88

[Text] Ecuadoran President-Elect Rodrigo Borja has personally invited Socialist International President Willy Brandt, Cuban President Fidel Castro, Spanish

Prime Minister Felipe Gonzalez, Portuguese President Mario Soares, French President Francois Mitterrand, and President Ronald Reagan to Ecuador.

According to reports, Borja has also sent personal invitations to the presidents of the Andean Pact and Group of Eight countries. Sources at the Foreign Ministry said in regard to a possible invitation to Nicaraguan President Daniel Ortega that the issue is sensitive because Ecuador does not maintain diplomatic relations with Nicaragua.

It has also been reported that Vice President-Elect Luis Parodi met with distinguished center-left economists at the Quito Hotel to discuss making the hotel Parodi's temporary residence in Quito.

Dollar Becomes 'Key Economic Indicator'

PA0706231288 *Quito Voz de los Andes in Spanish*
1200 GMT 7 Jun 88

[Text] The role of the U.S. dollar has changed dramatically over the past 6 years in Ecuador to the point that it has become a key economic indicator of unprecedented importance.

According to our information, the U.S. currency's exchange rate has risen from 50 to 498 sucres on the free market over the past 6 years. The multiple crises the country is experiencing, analysts agree, have caused a progressive and continuous devaluation of the sucre with respect to the dollar. This phenomenon has been accompanied by the dollar's increased influence in the economy as a result of the current government's policies. Today everything is influenced by the dollar: Savings are in dollars, luxury apartments are rented in dollars, and food prices are rising because the dollar is rising.

The sharpest devaluation came last year when the dollar rose from 191 to 498 sucres. This unfortunate trend in the dollar exchange rate, which over the past few years has been managed by powerful exporting and financial groups, has generated widespread speculation.

Peru

Shining Path Attacks U.S. Envoy's Residence

PY0906143588 *Madrid EFE in Spanish* 1321 GMT
9 Jun 88

[Text] Lima 9 Jun (EFE)—This morning Shining Path terrorists attacked the U.S. Ambassador's residence, without causing any injuries but only some property damage.

Security officials at the residence have said that the attackers launched two projectiles from a home-made rocket launcher.

The security personnel also said that that one of the projectiles exploded in the air and the another fell on a flat roof of the second floor of the residence, causing slight property damage.

It was reported that only two windows were broken due to the explosion.

The U.S. Ambassador's residence is located on Arequipa Avenue, one of the most important avenues of Lima, and is surrounded by a high and thick wall.

It is thought that the Shining Path members fired the rocket launcher from Arequipa Avenue. Apparently there were two terrorists, but no further details are known because the police have not yet reported on the attack.

Japanese Executives Told to Leave Country

PY0806132488 *Santiago Domestic Service in Spanish*
1309 GMT 8 Jun 88

[Text] A wire, datelined Lima, states that the Japanese Government has ordered all its executives and families to leave Peru in view of the increase in terrorist activity in the country.

This decision follows an attack by a Shining Path armed commando on a Nissan plant. The Bank of Tokyo has decided to close its offices in Lima. A large number of embassies in Peru have also cut down on the number of personnel working in the country. Most of those who remain are bachelors or diplomats who came to Lima without their families. This is a consequence of the climate of terror provoked by armed leftist groups. Two policemen were murdered by Shining Path extremists in the last few hours.

Guerrillas Kill Three Civilian Officials

PY0806133988 *Madrid EFE in Spanish* 2121 GMT
7 Jun 88

[Text] Lima, 7 Jun (EFE)—Today the Peruvian daily EXPRESO reported that alleged Shining Path guerrillas have murdered three civilian officials in Cusco and Apurimac Departments.

In Cusco Department, located 1,000 km southeast of Lima, a Shining Path group entered the town of Queuna and murdered Lieutenant Governor Jose Ayma and municipal official Nicanor Yura.

The same Shining Path group then went to the adjacent Apurimac Department where, in the town of Progreso, Grau Province, they killed municipal official Anibal Gutierrez and then destroyed the municipal building.

The inhabitants of these towns were forced to see the killings. The terrorists painted signs and pictures of Abimael Guzman, the ideologist and founder of Shining Path, on the walls of the houses.

The picture, presumably taken recently, shows Guzman thinner than usual, badly shaved, and with plump cheeks. He is dressed in a military uniform and covered with decorations.

The Shining Path group was made up of about 50 people, and when they left the towns they "recruited" by force several youths.

The killings apparently occurred yesterday but the daily did not say when.

Links Between Shining Path, Drug Traffickers
PY0706170188 Santiago EL MERCURIO in Spanish
2 Jun 88 pp C-1, C-8

[Text] A 30-year old Peruvian, who illegally entered Chile through the Arica border while escaping from the Shining Path terrorist group, which had sentenced him to death, has contacted EL MERCURIO newspaper reporters to whom he spoke about the connection between drug traffickers and terrorists in the Peruvian jungle.

He said that in the streets of Arica and Iquique he had seen four Peruvian terrorists, about whom he has spoken to the Chilean police.

Considering the importance of these revelations, EL MERCURIO newspaper has decided to publish the story of this man, but omitting his name to preserve his safety. The man, who looks like a Peruvian peasant, appeared nervous, saying that he is tired of living in fear and of seeing "crime and death all the time." His voice and appearance revealed his humble origin. "All I want is to live in peace in the south of Chile, the furthest possible from the Peruvian border," he said.

The young man became involved with drug trafficking when he started to work at the age of 16 in a restaurant in the town of Uchiza. Soon he realized that the restaurant provided food to the workers of the "chacras" or coca plantations, which he visited daily to deliver food to the peasants. "In a thick jungle area, where one cannot imagine that anything could be found, and after crossing a bridge, one arrives at a plantation. There one can find three large laboratories which process the coca paste into coca base, which is the second phase of the process. About half the weight of material is lost in this phase. The third phase, that is, the processing into cocaine, is not done in Peru but in Colombia."

"In 1977 I went to Tocache, in the jungle, 2 hours away from Lima by plane. Today the Tocache inhabitants live in fear in the cross fire between terrorism and cocaine trafficking. My boss is one of the main 'chacraz' owners in the region. The Tocache chiefs own mansions the likes of which I have not seen in Lima and move surrounded by many armed bodyguards. Those of us inside the house used .38 caliber guns, but those who were close to the chief carried submachineguns. Inside the house there were more weapons which were usually lent to the Shining Path members for their terrorist attacks. I met two Chilean chemists at the coca laboratories."

"The Shining Path arrived in Tocache in 1982 and took over the town. It is now one of its main operation centers since it is there where they practice their 'justice.' Other centers are Juanji, Saposa, and Ayacucho. The Tocache chiefs, like mine, made deals with the Shining Path leaders. I was present at such meetings, which took place at a terrace in the jungle. The Shining Path protected the plantations, and in exchange received money, commissions for each plane loaded with coca, and many weapons. My boss told us to give them whatever they wanted. We gave them FAL rifles, submachineguns, revolvers, and bazookas (rocket launchers), which we stored in the house for their attacks. There was a range at my boss' home where the terrorists could go to practice. The police of Tocache do not, and cannot, do anything. They cannot confront the Shining Path, and they are not interested in bothering the drug traffickers from whom they get paid."

"The Shining Path does what it pleases in the town. Its members even give lectures. They barge into schools at mid-morning, send the teachers out of the classrooms, and spend 3 hours talking to the students about terrorism. Crimes and deaths are the order of the day. Anyone who opposes resistance is taken by the Shining Path to the 'Bridge of Death,' where he is killed and thrown into the Huallaga River. That is where they practice 'justice.' The entire town has witnessed many people die in these executions. Their bones can be seen on the riverside. The Shining Path murdered my mother last year. She used to sell small quantities of cocaine paste—some 50 to 100 kg of it. My father died during a military operation in the zone. He was killed by mistake, because he was taken for a stool pigeon."

"Three flights transporting cocaine base to Colombia leave Tocache every day: one at 0230, one at 0330, and the last one at 0500. The police are aware of this."

"My problems started when I was hired as caretaker at a warehouse, where the cocaine was kept before being shipped to Colombia. Some 67 kg disappeared one night. Nothing similar had ever happened to me before. I think the Shining Path seized the merchandise in order to place the blame on me. The next day some friends in Tocache advised me to leave town, so I took a bus to Lima with some 30 million soles in my pocket."

"I arrived in Lima without any money and went to see a reporter, who took me before some officials to whom I gave information on where the drug traffickers hid the drugs, and where the Shining Path hid the weapons in Tocache. They offered to change my identity. Those people got in contact with the gringos of the DEA (Drug Enforcement Administration), and we left for Tocache in a plane commanded by a chief of police. When we got to Tocache they covered my face with a ski mask so no one would recognize me, and we went to the place I had mentioned to them. I could see all the people of my town, but no one could recognize me. We uncovered 4,000 kg

of cocaine paste and 500 weapons—rifles and submachine guns—in the exact spot I had mentioned. During the raid on the laboratories they arrested two members of the Shining Path.

"But I had had it that evening. The father of the arrested Shining Path members, who were brothers, obtained their release, and before they left, someone opened the door of the room I was in—I had taken the mask off—and they saw my face. From that moment I knew I was sentenced to death. We returned to Lima but the officials did not fulfill their part of the agreement. They asked me for more information about the Shining Path and its connections. I was afraid to give it to them.

"I had no other alternative but to leave Peru. I cannot go to Colombia, Brazil, or Bolivia for the same reason. That is why I chose Chile. I entered the country through the border at Tacna late last year. I saw two Shining Path terrorists, a man and a woman, driving a car in Arica. I had known them in Tocache. I approached a Chilean policeman and told him about them. He wondered how I knew they were terrorists but they were gone when I turned around to look for them again. I was taken to the police to report. Later, I saw another of my countrymen from Tocache walking in the streets of Arica. He, too, was a member of the Shining Path. There are three types of members within the Shining Path: the drug traffickers, the narco-terrorists, and the terrorists. He was a terrorist. I then went to Iquique, where I recognized a fourth terrorist, also from Tocache. I do not know what they are doing in Chile. I am frightened. They are everywhere. All I want now is to work in this country and live peacefully, but I want to do so in the south, in the far south, as far from Peru as possible."

Uruguay

Labor Minister Criticizes National Strike
PY0906143388 Montevideo Radio Carve in Spanish
0930 GMT 9 Jun 88

[Excerpt] Labor Minister Hugo Fernandez Faingold, commenting on the strike ordered by the PIT-CNT, has said that at the appropriate time the government will order emergency services for the transportation sector. He said:

[Begin recording] [Fernandez] Look, I believe that the strike in some ways is similar to other strikes and in other ways is different. It is similar to other strikes, as we have always said, because its purpose is not clear, and when the strike is over tomorrow its only effect will be that nothing will have changed and that the people will have lost 1 day of salary.

[Question indistinct]

[Fernandez] I know. It is an unjust strike like the others in the past. But it is different from other strikes in that this one included acts of violence in which fear replaced reasoning among union leaders who have always tried to

convince the people why they should strike. Some people thought that for the general strike to be successful it was important to have violence this morning, and that naturally [words indistinct] different from other strikes. [passage omitted] [end recording]

Central Bank Head on Debt, Economic Policy
PY0306001888 Montevideo EL DIA in Spanish
27 May 88 p 11

[Text] Yesterday Central Bank President Ricardo Pascale said the Central Bank Board of Directors has approved the swap of the \$30 million internal debt portfolio the central bank had purchased from private banks and that it will soon authorize new swaps for a total of \$80 million.

Pascale made these comments at the "fourth meeting of the economic team" at the Parque Hotel. Pascale said the country has thus benefitted from a 40-percent market discount on its foreign debt by swapping internal debt bonds for foreign debt bonds. Pascale added that profits from foreign debt capitalization operations that are about to be completed will also average 40 percent, and in some cases profits will amount 50 percent.

He confirmed that the Central Bank strategy is to prevent foreign indebtedness from growing in real terms, and he explained: "If we can maintain a certain growth rate, the GDP to debt ratio will decrease."

Pascale said: "We have begun buying back part of the debt by swapping internal debt bonds in the Central Bank portfolio for Uruguayan foreign debt ('debt to debt') [preceding three words in English]. This mechanism allows the country to buy back its foreign debt at a 40-percent discount. The capitalization currently under way will allow the country to recover foreign debt bonds at a 40-percent discount," Pascale added.

"These procedures are showing us a path that Uruguay must explore in the medium term. We should make broader use of existing mechanisms and other mechanisms that the negotiation of the debt might provide in order to purchase our debt bonds at a discount closer to that of the market.

"This is very important," he emphasized. "If we maintain the policy that the debt should not grow in real terms, the purchase of our foreign debt at a discount will make our total debt decrease by a percentage equal to that discount," he added.

However, "the debt will continue to play an important role in the medium term" if we want to maintain our goal "that the country continue to grow."

Pascale added: "If we could find an accessible financing mechanism, we could purchase more of our debt bonds and reduce our total indebtedness and transfer of resources, besides improving our growth rate."

Concerning economic policy, Pascale reiterated "our permanent efforts to reduce the fiscal deficit, which constitute the cornerstone of our macroeconomic policy."

"Another key factor of our strategy has been the implementation of an exchange rate compatible with the objective of maintaining our external public indebtedness at a constant level, in real terms," he added.

The exchange rate can be maintained at a specific level "if it is affected only by temporary factors and if monetary and fiscal policies can compensate for any changes in the external parameters," he maintained.

In this regard, Pascale said that the Central Bank's internal credit policy "has allowed for the compensation of circumstantial changes without seriously hindering other monetary policy objectives."

"We have tried to create an appropriate environment for promoting productivity by combining a program of macroeconomic stability and by maintaining the relative prices of some basic items," he said.

"The refinancing of the foreign debt with a lower spread [preceding word in English] and longer grace periods has reduced the private sector concern," Pascale said.

"These achievements call for a careful macroeconomic policy, which will obviously depend on our fiscal and monetary control," he remarked.

He added: "The funds must be earmarked with considerable care, because they are in short supply. In this regard, changes have been introduced in order to get the most out of each investment."

Pascale mentioned the importance of the debt-GDP indicator regarding the use of external funds to supplement domestic savings. He said that if efforts are made "to prevent this indicator from growing, the external financing of investments will have to be carefully monitored."

As an example, he said that "if the foreign debt-GDP indicator is 60 percent and if the capital-GDP relationship is 3 to 1, a 1-percentage point growth of the GDP will demand 3 percentage points of savings in terms of GDP. In order to keep the foreign debt-GDP indicator unchanged, only 20 percent of the investment increase should be financed with foreign resources."

He said: "However, a major guideline for setting a limit to the foreign debt could be to contract debts while the profitability of the projects surpasses the marginal interest [tasa marginal de interes] on external financing. Included in the marginal interest, a unit rise in the spread can increase the cost of the foreign debt stock. So, under certain conditions, this might cause an increase of the debt-GDP indicator in the short term."

Guyana

Foreign Affairs Minister Visits Japan
FL0906022288 Bridgetown CANA in English
2320 GMT 8 Jun 88

[Text] Georgetown, Guyana, June 8, CANA—Guyana's foreign affairs minister, Rashleigh Jackson, is now in Japan heading a four-member delegation for talks with senior representative of the Japanese Government, officials here reported.

Jackson's visit is at the invitation of the Government of Japan. Jackson will be discussing bilateral economic issues, among other matters, and generally will be seeking to improve Guyana's economic and trade links with Japan. President Desmond Hoyte explained recently. Guyana and Japan have had diplomatic relations for several years and in recent years Guyana has been the recipient of Japanese aid mainly in the fisheries and electricity generation sectors.

Jackson is being accompanied by permanent secretary (policy) [of the] ministry of foreign affairs, Noel Sinclair, head of the Department of International Economic Cooperation (DIEC), Dr Cecil Rajana, and Guyana's non-resident ambassador to Japan, Altaf Mohammed.

Suriname

Government, Brunswijk Delegations To Hold Talks
FL0806182888 Paramaribo International Services
in English 1730 GMT 8 Jun 88

[Text] A government delegation and a delegation of the jungle commando of Ronnie Brunswijk will begin talks in the middle of this month which must lead to peace in east Suriname. An ultimatum which Brunswijk had earlier issued to the government and should have ended on June 12th has been withdrawn. The talks will now be held unconditionally. This was disclosed yesterday to the press by the Committee of Christian Churches.

The church delegation last week went to east Suriname to hold talks with Brunswijk. The delegation also said that no foreigners will be included in the negotiating team of Brunswijk. The government had stated earlier that it will not hold talks with [words indistinct] foreigners. The venue for the talks between the government delegation and the delegation of Ronnie Brunswijk has not yet been made public.